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RICHARD E. WILLIAMSON
rew@ewb-law.com

June 1, 2006

Via Federal Express

Michael Massey, Esq.
Office of Regional Counsel (ORC-3)
U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, CA 94105

**Re: General Notice Letter/104(e) for the San Fernando Valley/North Hollywood
Superfund Site
North Hollywood, CA**

Dear Mr. Massey:

Provided herewith on behalf of California Car Hikers Service, a California corporation ("CCHS" herein), are responses to the second set of responses to the 37 questions posed under "Enclosure D: Information Request," accompanying that certain letter dated March 28, 2006 from Elizabeth Adams, Chief, Site Cleanup Branch, Superfund Division.

Our previous response to Question No. 1 under "Enclosure D: Information Request," accompanying that certain letter dated March 28, 2006 forwarded by my letter dated May 15, 2006 is incorporated herein by reference.

13. Current Officers: Nathan B. Adlen- President and Chief Financial Officer; Dorothy P. Adlen, a widow, Vice President and Secretary. Current Shareholders: Dorothy Adlen, Trustee of Survivor's Trust Created u/w/o/ Sam Adlen; Nathan Adlen and Dorothy Adlen, Trustees of Exempt Marital Trust Created u/w/o Sam Adlen; and Nathan Adlen and Dorothy Adlen, Trustees of Non-Exempt Marital Trust Created u/w/o Sam Adlen.

Contact Information for Nathan B. Adlen and Dorothy P. Adlen: 11590 Tuxford St. Sun Valley, CA, 91352. Telephone: (818) 504-1091.

14. (a.) CCHS has owned the subject Real Property comprising the "Facility" since June 26, 1974.

(b.) APN 2632-011-010, 8520 Telfair Avenue, Sun Valley 91352; APN 2632-011-011, 11590 Tuxford Street, Sun Valley 91352; APN 2632-011-012, 11409 Penrose Street, Sun Valley 91352 (the "Real Property" collectively herein).

(c.) Copy of Quitclaim Deed recorded June 26, 1974 as Instrument No. 3472, Official

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Records of Los Angeles County, is provided herewith under Exhibit Tab "1."

(d.) CCHS is the present owner of the subject Real Property, and its address is 11590 Tuxford Street, Sun Valley, CA 91352. Tel. (818) 504-1091. Prior to CCHS, the Real Property was owned by Sam Adlen, a married man (deceased), Annie A. Adlen, a widow (deceased), and Gordon Donald Adlen, who held title to the Real Property as joint tenants, and had purchased the Real Property from Los Angeles By-Products Company, a California corporation, on or about March 7, 1967. Present contact information for Gordon Donald Adlen: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091. Contact information for the Los Angeles By-Products Company, a California corporation, is on record with the EPA and the Office of Regional Counsel.

(e.) Copies of the following leases are provided herewith under Exhibit Tab "2": (i) Lease dated October 25, 1974, between CCHS, Southern California Auto Auction, a California corporation, Sam Adlen and Don Adlen, as Lessor, and Southern California Rapid Transit District, a Public corporation of the State of California, as Lessee; (ii) Lease dated July 1, 1980, between Sam Adlen, as Lessor, and Southern California Rapid Transit District, a Public corporation of the State of California, as Lessee; and (iii) Lease dated November 6, 2001 between CCHS, as Lessor, and Adlen Family Limited Partnership, as Lessee.

(f.) (i) 11590 Tuxford Street:

- Aadlen Bros. Auto Wrecking; automobile dismantling, including sales of used parts, and salvage, May, 1962 - present. Contact information: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091, Attn. Nathan B. Adlen. (Copy of Lease between Los Angeles By-Products Co., a California corporation, as Lessor and Sam Adlen and Dorothy Adlen, as Lessee, dated as of May 1, 1962, is provided herewith under Exhibit Tab "3.")

(ii) 11409 Penrose Street:

- Aadlen Bros. Auto Wrecking; automobile dismantling, including sales of used parts, and salvage, May, 1962 - present (except during periods when Southern California Auto Auction and Southern California Rapid Transit District were Lessees) Contact information: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091, Attn. Nathan B. Adlen.;
- Southern California Auto Auction; wholesale dealers auction - used cars, approximately 1970- 1974; Contact information: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091, Attn. Nathan B. Adlen.
- Southern California Rapid Transit District; parking for and maintenance of SCRTD vehicles, December 1, 1974 - June 30, 1985; Contact information: Ronald W. Stamm, Esq., Deputy County Counsel, 1 Gateway Plaza, 24th Floor,

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August 28, 1985 - present; Contact information: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091, Attn. Nathan B. Adlen.

- Serafiin Cuevas, Pamaxan Tires, 1111 Dianron Road, Palmdale, CA 93551 Tel. (818) 252-1007, Full Service Tire Shop, including Sales and Repair of Tires and Wheels; 1996- present.
- Soveida Alicia Loza, C&A Glass, 10758 Wixom Street, Sun Valley, CA 91352 Tel. (818) 767-3054, Full Service Auto Glass Shop, including Sales and Repair of Auto Glass; 1996- present.
- Filiberto Hernandez, 11859 Strathern Street, North Hollywood, CA 91605, Tel. (818) 415-4809, Sale of Auto Carpets, Mats and Work Uniforms; 2001 - present.
- Marco Goana, 5815 Buchanan Street, Los Angeles, CA. 90042, Tel. (818) 422-6613, Locksmith, including Sale of Keys and Steering Columns; 2001 - present.
- Eddy Alvarado, 537 S. Fraser Street, Los Angeles, CA 90022 Tel. (323) 526-9063. Sale and Repair of Vehicle Rubber, Door Gaskets; 2001 - present.
- HORS, 11409 Penrose Street, Sun Valley, CA. 91352, Tools and related equipment sales. 2001- present.

(iii) 8520 Telfair Avenue:

- Aadlen Bros. Auto Wrecking; automobile dismantling, including sales of used parts, and salvage, May, 1962 - present; Contact information: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091, Attn. Nathan B. Adlen.
- A Foreign Auto Wrecking (aka "A-Foreign Auto Wrecking"); self-service automobile dismantling, including sales of used parts, August, 1985 - present; Contact information: 11590 Tuxford Street, Sun Valley, CA Tel. (818) 504-1091, Attn. Nathan B. Adlen.
- Mauuel Zavala, Zavala's Miscellaneous, 9669 Sandusky Ave., Arleta, CA 91331 Tel. (818) 890-5964, Locksmith Service, including Sale of keys, car stereos, speakers, amplifiers, light bulbs, steering wheel columns, and auto accessories; 1996 - present.
- Hors, 8520 Telfair Ave., Tel. (818) 516-2676, Tools and related equipment sales; 2001 - present.
- Frank Starstone, 8520 Telfair Ave., Tel. (818) 262-8971, Truck Storage (parking space rental); 2003 - present.

17. As stated above in response to Question No. 14 (d), the Real Property comprising the "Facility" was previously owned by Sam Adlen, a married man (deceased), Annie A. Adlen, a widow (deceased), and Gordon Donald Adlen, who held title as joint tenants, and who purchased the Real Property from Los Angeles By-Products Company, a California corporation, on or about March 7, 1967.

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CCHS is informed and believes that an entity known as Le Valley Ready Mix Co., a California corporation, leased a portion of the premises comprising the Facility from Los Angeles By-Products Company during the period January 1, 1954 through March 30, 1959. CCHS is further informed and believes that a portion of the premises situated on Penrose was leased by Los Angeles By-Products Company to one of its former employees (identity unknown) under a month to month lease, and that a portion of the premises situated at the corner of Telfair and Penrose was under a lease (of unknown duration) by Los Angeles By-Products Company known and described by it as the "Hooker Lease." This information is based on a letter from Los Angeles By-Products Company to Mr. And Mrs. Sam Adlen, dated as of May 1, 1962, and a copy (incomplete) of a written Lease between Los Angeles By-Products Company and Le Valley Ready Mix Co., a California corporation, copies of which are provided herewith under Exhibit Tab "4."

(a.) The date that Los Angeles By-Products Company, a California corporation purchased the subject Real Property comprising the "Facility" is not known.

(b.) Los Angeles By-Products Company operated a landfill on the subject Real Property. The nature of operations by those lessees of Los Angeles By-Products Company as are identified above is unknown to CCHS. The nature of operations by other Lessees is fully described above in response to Question No. 14 (f) and incorporated herein by reference.

(c.) To the best of CCHS's knowledge, Los Angeles By-Products Company operated and controlled the landfill.

(d.) None to CCHS's knowledge.

18. Not applicable. CCHS never operated the Facility.

24. CCHS refers to and incorporates herein by reference its consultants's prior report, dated March 10, 2006, a duplicate copy of which is provided herewith under Exhibit Tab "5," responding to the EPA's February 10, 2006 letter.

25. CCHS refers to and incorporates herein by reference its consultant's prior report, dated March 10, 2006, a duplicate copy of which is provided herewith under Exhibit Tab "5," responding to the EPA's February 10, 2006 letter.

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26. Following is the insurance information presently known to CCHS, for which copies of the policies are provided herewith under Exhibit Tab "6."¹

American International Specialty Lines (AIG), 101 Hudson Street, 31st Floor, Jersey City, N.J. 07302
Policy No. EG 1721283
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$2,000,000
Policy Period: **2/11/06 - 2/11/07**

Policy No. EGU 1721285
Policy Type: Commercial Umbrella
Coverage Amount/Policy Limits: \$5,000,000
Policy Period: **2/11/06 - 2/11/07**

Admiral Insurance Company, 1255 Caldwell Road, P. O. Box 5725, Cherry Hill, NJ 08034.
Policy No. CA000006570-01
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$2,000,000
Policy Period: **2/11/05 - 2/11/06**

Policy No. EX000001853-01
Policy Type: Excess
Coverage Amount/Policy Limits: \$2,000,000/\$2,000,000
Policy Period: **2/11/05 - 2/11/06**

Lexington Insurance Company, 100 Summer Street, Boston, MA 02110

Policy No.: 4891872
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$3,000,000
Policy Period: **2/11/03 - 2/11/04**

Policy No. 4892144
Policy Type: CGL

¹Except as otherwise noted, the addresses provided for each of the insurance companies below is the address to which notice of the March 28, 2006 letter has been directed.

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Coverage Amount/Policy Limits:\$1,000,000/\$3,000,000
Policy Period: **2/11/04 - 2/11/05**

Policy No. 5336241
Policy Type: Excess
Coverage Amount/Policy Limits: \$2,000,000/\$2,000,000
Policy Period: **2/11/04 - 2/11/05**

Granite State Insurance Company (Member AIG Group), 99 Cherry Hill Road
Parsippany, NJ 07054

Policy No.: 02-LX 3495774-1/000
Policy Type: Business Personal Property
Coverage Amount/Policy Limits: \$100,000
Policy Period: **2/11/04 - 2/11/05**

Policy No.: 02-LX 3495774-0/000
Policy Type: Business Personal Property
Coverage Amount/Policy Limits: \$100,000
Policy Period: **2/11/03 - 2/11/04**

United National Group (United National Insurance Co.), Three Bala Plaza East, Suite
300, Bala Cynwyd, PA 19004

Policy No.: FCX0000533
Policy Type: Excess Third Party Liability
Coverage Amount/Policy Limits: \$2,000,000/\$2,000,000
Policy Period: **2/11/03 - 2/11/04**

Discover Property & Casualty, 500 Madison Street, Suite 2600, Chicago, IL 60611-2511

Policy No.:DRE54673-01
Policy Type: Commercial Garage Coverage
Coverage Amount/Policy Limits: \$1,000,000/\$3,000,000
Policy Period: **2/11/01 - 2/11/02**

United States Fidelity & Guaranty Company (USF&G),111 Schilling Road, Hunt Valley,
MD 21031

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Policy No. DRE0170799
Policy Type: Garage Operations Coverage
Coverage Amount/Policy Limits: \$1,000,000/\$3,000,000
Policy Period: **2/11/99 - 2/11/00**

Legion Insurance Company,² [address presently unknown]

Policy No. CP4-0529442
Policy Type: Commercial Auto/ Garage Operations
Coverage Amount/Policy Limits: \$1,000,000/\$3,000,000
Policy Period: **2/11/98-2/11/99**

Policy No. CP3-0251842³
Policy Type: [Not presently known]
Coverage Amount/Policy Limits: [Not presently known]
Policy Period:**2/11/98-2/11/99**

Fireman's Fund, Attention: Sidney Jimenez/San Marin #3, 777 San Marin Drive
Novato, CA 94998

Policy No. MXG 80077504
Policy Type: General Liability/Auto
Coverage Amount/Policy Limits:\$500,000/\$500,000
Policy Period:(**4/16/85 - 4/16/86**)

Policy No. MXG 80120245 (**4/16/86 - 4/16/87**)
Policy Type: General Liability/Auto
Coverage Amount/Policy Limits: [Not presently known; Cannot Locate Copy of Policy]
Policy Period:(**4/16/86 - 4/16/87**)

Policy No. MXG 80217727
Policy Type: General Liability/Auto
Coverage Amount/Policy Limits:[Not presently known; Cannot Locate Copy of Policy]
Policy Period:(**4/16/87 - 4/16/88**) [Cancelled August 22, 1987]

²CCHS is informed and believes that Legion Insurance Co. has been dissolved through liquidation

³Copy of this Policy cannot be located.

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Industrial Indemnity, Riverstone Claims Management, 250 Commercial St., Suite 500
Manchester, NH 03101, Attention: Lyn Klemanski, Latent Operations Manager

Policy No. OL 855-7707 [Policy issued by California Insurance Company]
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period.: **10/8/89 - 10/8/90**

Policy No. OL 903-1705 [Policy issued by California Insurance Company]
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period.: **10/8/88 - 10/8/89**

Policy No. NP 909-3004
Policy Type: Commercial Property
Coverage Amount/Policy Limits:
Policy Period.: **10/8/87 - 10/8/88**

Policy No. NP 909-3005
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$2,000,000
Policy Period.: **10/8/87 - 10/8/88**
Policy No. NP 909-3006
Policy Type: Commercial Auto
Coverage Amount/Policy Limits: [Not presently known]
Policy Period.: **10/8/87 - 10/8/88**

Scottsdale Insurance Company, Attention: Karen Dvorak, Claims, P. O. Box 4120
Scottsdale, AZ 85261

Policy No. CLS 527986
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **2/11/99 - 2/11/00**

Policy No. CLS 414815-1
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **2/11/98 - 2/11/99**

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Policy No. CLS 414815
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **2/11/97 - 2/11/98**

Policy No. CLS 326603 (CGL Coverage)
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **2/11/96 - 2/11/97**

Policy No. GLS 506410 (CGL Coverage)
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **1/24/94 - 1/24/95**

Policy No. GLS 062014 (CGL Coverage)
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **1/24/86 - 1/24/87**

Truck Insurance Exchange⁴, Farmers Insurance Group - Environmental, Truck Insurance Exchange, P. O. Box 2100, Simi Valley, California 93062

Policy No. 1823-00-10
Policy Type: Comprehensive Liability
Coverage Amount/Policy Limits: [Not Presently Known]
Policy Period: **2/5/83 - 7/1/84**

Policy No. 1806-00-10
Policy Type: Umbrella
Coverage Amount/Policy Limits: [Not Presently Known]
Policy Period: **2/5/83 - 7/1/84**

Evanston Insurance Company, c/o: Markel Southwest Underwriters, 8700 E. Northsight Blvd., Suite 200, Scottsdale, AZ 85260

⁴CCHS is informed and believes that Truck Insurance Exchange provided coverage dating back to the early 1960's. Copies of the policies that can be located are identified and provided herewith.

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Policy No.: CL040900023
Policy Type: CGL
Coverage Amount/Policy Limits: \$1,000,000/\$1,000,000
Policy Period: **2/11/01 - 2/11/02**

General Security National Insurance Co., 199 Water St., Suite 2100, New York, NY
10038-3526

Policy No.: CE9000480
Policy Type: Excess Third Party Liability
Coverage Amount/Policy Limits: \$5,000,000
Policy Period: **2/11/01 - 2/11/02**

28. Not applicable.

30. Not applicable.

31. Not applicable. CCHS has no sumps.

33. None while CCHS owned the subject Real Property, and to CCHS' knowledge, none prior.

34. CCHS has no correspondence responsive to this request.

35. The Adlen Family Limited Partnership, a California limited partnership, is the Lessee of the subject Real Property. Solid Waste General Corporation of America, a California corporation ("SWGCA"), (erroneously referred to as "Solid Waste Corporation" in the EPA's Information Request accompanying its March 28, 2006 correspondence) is the General Partner of the Adlen Family Limited Partnership.

Nathan B. Adlen is the President and CFO, and a Director of SWGCA, and has been since May 17, 1999; and Dorothy P. Adlen is a Secretary and Director of SWGCA, and has been since May 17, 1999. (From May 17, 1999 to April 14, 2003, Nathan B. Adlen acted in the capacity of Executor of the Will of Sam Adlen.) Prior Directors of SWGCA were Samuel Lewis (deceased), Sam Adlen (deceased), Annie Adlen (deceased), and Gordon Donald Adlen. Nathan B. Adlen, as Executor of the Will of Sam Adlen, are the sole shareholders of SWGCA.

Aadlen Brothers Auto Wrecking, Inc. is a suspended California corporation and has no affiliation to CCHS or the Real Property. However, "Aadlen Brothers Auto Wrecking" is a dba of the Adlen Family Limited Partnership, and is the licensee auto dismantler operating on the Real Property.

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A Foreign Auto Wrecking is a dba of the Adlen Family Limited Partnership. U-Pick Parts is a dba of the Adlen Family Limited Partnership.

Copies of Fictitious Business Name Statements recorded February 16, 2005 for U-Pick Parts, A Foreign Auto Wrecking, and Aadlen Bros. Auto Wrecking are provided herewith under Exhibit Tab "7."

36. Not applicable; None to CCHS's knowledge.

37. None to CCHS's knowledge.

As previously agreed, responses to the final 7 of the 37 questions will follow by Tuesday, June 13 2006. Thank you for your professional courtesy and cooperation

Very truly yours,


EZER WILLIAMSON & BROWN LLP

By: Richard E. Williamson

REW:eac
Enclosures
cc: California Car Hikers Service, Attn: Nathan B. Adlen, President
U:\Documents\Adlen\EPA\Correspondence\Massey 060106.wpd

Exhibit 1

RECORDING REQUESTED BY
Gordon Donald Adlen & Sam Adlen
8103 South Alameda Street
Los Angeles, California 90001

3472

BK D6323PC830

AND WHEN RECORDED MAIL TO

Name ROBERT N. ADLEN
Street Attorney at Law
Address 11409 Penrose Street
City & State Sun Valley, California 91352

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA
47 MIN. 1 P.M. JUN 26 1974
Recorder's Office

FEE
\$5
37

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX \$ none
PROPERTY CONVEYED
J. R. STAFF IN THIS SPACE
Robert N. Adlen
Signature of Grantor

Quitclaim Deed

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GORDON DONALD ADLEN,
a married man, and, SAM ADLEN, a married man

hereby REMISE(S), RELEASE(S) AND FOREVER QUITCLAIM(S) to

CALIFORNIA CAR HIKERS SERVICE, A California Corporation

the following described real property in the City of Sun Valley county of Los Angeles
state of California:

* LEGAL DESCRIPTION ATTACHED *

Dated May 3, 1974

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On May 3, 1974

before me, the under-
signed, a Notary Public in and for said State, personally appeared
Gordon Donald Adlen, Joan M. Adlen,
Sam Adlen and Dorothy P. Adlen****

***** known to me
to be the person S whose name S subscribed to the within
instrument and acknowledged that they executed the same.
WITNESS my hand and official seal.

Signature Samuel Lewinstein
SAMUEL LEWINSTEIN

Name (Typed or Printed)

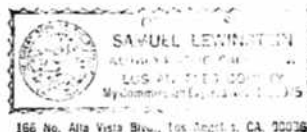
If executed by a Corporation the Corporation Form
of Acknowledgment must be used.

GORDON DONALD ADLEN

JOAN M. ADLEN

SAM ADLEN

DOROTHY P. ADLEN



(This area for official notarial use)

Title Order No.

Escrow or Loan No. Tuxford/Telfair Property

BK D6323PC832

PARCEL 4: Those portions of lots 1, 2, 3, 4, 5, 6 and 7 all in block 24 of Los Angeles Land and Water Co.'s Subdivision of a part of the Maclay Rancho, in the city of Los Angeles, county of Los Angeles, state of California, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, described as follows:

Beginning at a point in the southwesterly line of said block 24, distant southwesterly thereon 460 feet from the southeasterly prolongation of the southwesterly line of lot 104 of Tract No. 6338, as per map recorded in book 73 page 23 of Maps, Records of said county; thence North 41° 22' West parallel with the southwesterly line of said block 24, a distance of 160 feet; thence northeasterly parallel with said southeasterly line of said block, to the southwesterly line of Tujunga Avenue, as described in a decree of condemnation entered in Los Angeles Superior Court, Case No. 255852, a certified copy of said decree being recorded in book 13726 page 351, Official Records of said county; thence northwesterly along said Tujunga Avenue to the southeasterly line of the land described in the deed to the state of California, by deed recorded on August 17, 1960, as Instrument No. 1661, in book D-947 page 392, Official Records of said county; thence southwesterly along said southeasterly line of the land described to the state of California, as follows:

South 86° 51' 57" West 259.88 feet; South 72° 45' 36" West 207.66 feet; South 59° 34' 17" West 113.75 feet and South 53° 30' 55" West 590.55 feet,

to the southwesterly line of said block 24; thence southeasterly along said southwesterly line to the most southerly corner of the said block 24; thence northeasterly along said southeasterly line of said block 24 to the point of beginning.

BK06323Pg831

LEGAL DESCRIPTION

PARCEL 1: That portion of lot 6 in block 24 of the Los Angeles Land and Water Co.'s Subdivision of a part of the Maclay Rancho in the city of Los Angeles, County of Los Angeles, state of California, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, described as follows:

Beginning at the point in the southeasterly line of said lot 6 that is distant South 48° 38' West along the southeasterly line of said block 24, 410 feet from the southeasterly prolongation of the southwesterly line of lot 104 of Tract No. 6338, recorded in book 73, page 24 of Maps; thence from said point of beginning South 48° 38' West along the said southeasterly line of said block, 50 feet; thence North 41° 22' West, parallel with the southwesterly line of said block, 160 feet; thence North 48° 36' East parallel with said southeasterly line of said lot, 50 feet; thence South 41° 22' East parallel with said southwesterly line of said block, 160 feet to the point of beginning.

PARCEL 2: Those portions of lots 7 and 6 in block 24, of the Los Angeles Land and Water Co.'s Subdivision of a part of the Maclay Rancho, in the city of Los Angeles, county of Los Angeles, state of California, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, described as follows:

Beginning at a point in the southeasterly line of said lot 7 that is distant South 48° 38' West along the southeasterly line of said block 24, 330 feet from the southeasterly prolongation of the southwesterly line of lot 104 in Tract No. 6338, as per map recorded in book 73, page 24 of Maps, thence from said point of beginning South 48° 38' West along the said southeasterly line of said block, 80 feet; thence North 41° 22' West, parallel with the southwesterly line of said block, 160 feet; thence North 48° 38' East, parallel with said southeasterly line of said block, 80 feet; thence South 41° 22' East parallel with said southwesterly line of said block, 160 feet to the point of beginning.

PARCEL 3: That portion of lot 7 in block 24 of the Los Angeles Land and Water Co.'s Subdivision of a part of the Maclay Rancho, in the city of Los Angeles, county of Los Angeles, state of California, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, described as follows:

Beginning at a point in the southeasterly line of said lot distant South 48° 38' West thereon 330 feet from the southeasterly prolongation of the southwesterly line of lot 104 of Tract No. 6338, recorded in book 73 page 24 of Maps, thence North 41° 22' West parallel with the southwesterly line of said block, 160 feet; thence North 48° 38' East parallel with said southeasterly line of said lot to the southwesterly line of Tujunga Avenue as described in final decree of condemnation entered in Case No. 255852 Superior Court, a certified copy thereof being recorded in book 10124, page 237, Official Records; thence southeasterly along said southwesterly line to the southeasterly line of said lot 7; thence South 48° 38' West along said southeasterly line to the point of beginning.

Exhibit 2

AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

Standard Industrial Lease

AUDIT NO.

1403

1. Parties. This Lease, dated, for reference purposes only, October 25, 1974, is made by and between California Car Hikers Service, a Cal. Corp., Southern Calif. Auto Auction and Cal. Corp. Sam Adlen & Gordon D. Adlen (herein called "Lessor") and SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT a Public Corporation of the State of California (herein called "Lessee").

2. Premises. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the County of Los Angeles State of California, commonly known as 11409 Penrose Street, Sun Valley, California and described as Those parts of Portions 5, 6, and 7, composing 11.82 acres as shown in the attached plot plan, marked "Exhibit A" and incorporated herein by its reference as though fully set forth herein, which includes all of portion 7, all of portion 6, and all of portion 5 except an area measuring 107 feet by 226 feet on the northerly/westerly corner of portion 5 as indicated in said plot plan designated by the area marked "X" on said plot plan. said real property including the land and all improvements thereon, is herein called "the Premises".

3. Term.

3.1 Term. The term of this Lease shall be for Three (3) years commencing on December 1, 1974 and ending on November 30, 1977 unless sooner terminated pursuant to any provision hereof.

3.2 Delay in Commencement. Notwithstanding said commencement date, if for any reason Lessor cannot deliver possession of the Premises to Lessee on said date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder or extend the term hereof, but in such case Lessee shall not be obligated to pay rent until possession of the Premises is tendered to Lessee; provided, however, that if Lessor shall not have delivered possession of the Premises within sixty (60) days from said commencement date, Lessee may, at Lessee's option, by notice in writing to Lessor within ten (10) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder. If Lessee occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof, such occupancy shall not advance the termination date, and Lessee shall pay rent for such period at the initial monthly rates set forth below.

4. Rent. Lessee shall pay to Lessor as rent for the Premises Three Hundred Thousand and No/100***** dollars is 300,000.00), payable in equal monthly installments of \$ 8,333.33, in advance, on the first day of each month of the term hereof. Lessee shall pay Lessor upon the execution hereof \$ 8,333.33 as rent for December 1974

Rent for any period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Lessor at the address stated herein or to such other persons or at such other places as Lessor may designate in writing.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof \$ 00 as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned, without payment of interest or other increment for its use, to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the term hereof, and after Lessee has vacated the Premises.

6. Use.

6.1 Use. The Premises shall be used and occupied only for A Bus Operating and Maintenance Facility and related transportation purposes.

6.2 Compliance with Law. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term or any part of the term hereof regulating the use by Lessee of the Premises. Lessee shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or, if there shall be more than one tenant of the Premises, which shall tend to disturb such other tenants.

6.3 Condition of Premises. Lessee hereby accepts the Premises in their condition existing as of the date of the execution hereof, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the suitability of the Premises for the conduct of Lessee's business.

7. Maintenance, Repairs and Alterations.

7.1 Lessor's Obligations. Subject to the provisions of Article 9 and except for damage caused by any negligent or intentional act or omission of Lessee, Lessee's agents, employees, or invitees, Lessor, at Lessor's expense, shall keep in good order, condition and repair the foundations, exterior walls and the exterior roof of the Premises. Lessor shall not, however, be obligated to paint such exterior, nor shall Lessor be required to maintain the interior surface of exterior walls, windows, doors or plate glass. Lessor shall have no obligation to make repairs under this Paragraph 7.1 until a reasonable time after receipt of written notice of the need for such repairs. Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition and repair.

7.2 Lessee's Obligations.

(a) Subject to the provisions of Paragraph 9 and Paragraph 7.1, Lessee, at Lessee's expense, shall keep in good order, condition and repair the Premises and every part thereof (regardless of whether the damaged portion of the Premises or the means of repairing the same are accessible to Lessee), including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Premises, fixtures, interior walls and interior surface of exterior walls, ceilings, windows, doors, plate glass, and skylights, located within the Premises and all sidewalks, landscaping, driveways, parking lots, fences and signs located in the areas which are adjacent to and included with the Premises.

(b) If Lessee fails to perform Lessee's obligations under this Paragraph 7.2, Lessor may at Lessor's option enter upon the Premises after 10 days' prior written notice to Lessee, and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the rate of 10% per annum shall be due and payable as additional rent to Lessor together with Lessee's next rental installment.

(c) On the last day of the term hereof, or on any earlier termination, Lessee shall surrender the Premises to Lessor in the same condition as received, broom clean, ordinary wear and tear excepted. Lessee shall repair any damage to the Premises occasioned by the removal of its trade fixtures, furnishings and equipment pursuant to Paragraph 7.3(c), which repair shall include the patching and filling of holes and repair of structural damage.

7.3 Alterations and Additions.

(a) Lessee shall not, without Lessor's prior written consent, make any alterations, improvements, additions, or utility installations in, on or about the Premises, except for non-structural alterations not exceeding \$1,000 in cost. As used in this Paragraph 7.3, the term "utility installations" shall include bus ducting, power panels, fluorescent fixtures, space heaters, conduits and wiring. As a condition to giving such consent, Lessor may require that Lessee agree to remove any such alterations, improvements, additions or utility installations at the expiration of the term, and to restore the Premises to their prior condition. As a further condition to giving such consent, Lessor may require Lessee to provide Lessor, at Lessee's sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Lessor against any liability for mechanics' and materialmen's liens and to insure completion of the work.

LESSOR. Unless Lessor requires their removal, as set forth in Paragraph 7.3(a), all alterations, improvements, additions and utility installations made by or for LESSEE, or by or for any subcontractor or contractor of LESSEE, shall constitute trade fixtures of LESSEE, which may be made on the Premises, shall become the property of LESSEE and shall remain upon and attached to the Premises at the expiration of the term. Notwithstanding the provisions of this Paragraph 7.3(c), LESSEE shall remove and take away from the Premises all machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shafts, conduits, and/or equipment of Lessor and may be removed by LESSEE subject to the provisions of Paragraph 7.2(c).

8.1 **Liability Insurance.** Lessee shall, at Lessor's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Lessor and Lessee against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and any areas appurtenant thereto. Such insurance shall be in an amount of not less than \$300,000 for injury to or death of one person in any one accident or occurrence and in an amount of not less than \$500,000 for injury to or death of more than one person in any one accident or occurrence. Such insurance shall not further insure Lessor or Lessee against liability for property damage of at least \$50,000. The limits of said insurance shall not, however, limit the amount of recovery hereunder, in the event that the Premises constitute a part of a larger property said insurance shall have a Lessor's Protective Liability endorsement attached thereto, if Lessee shall fail to procure and maintain said insurance Lessor may, but shall not be required to, procure and maintain the same, but at the expense of Lessee.

8.3. **Covered Policies.** Insurance required hereunder shall be in companies rated AAA or better in "Best's Insurance Guide". Lessee shall deliver to Lessor copies of policies of liability insurance required under Paragraph 8.1 or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Lessor. No such policy shall be cancellable or subject to reduction of coverage or other modification except after ten (10) days' prior written notice to Lessor. Lessee shall, within ten (10) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof, or Lessor may order such insurance and change the cost thereof to Lessee, which amount shall be payable by Lessee upon demand. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to in Paragraph 8.2.

8.5 Indemnity. Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere, and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this lease, or arising from any negligence of the Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor.

9. Damage or Destruction.

9.2 "Partial Damage-Uninsured. Subject to the provisions of Paragraph 9.4, if at any time during the term hereof the Premises are damaged, except by a negligent or willful act of Lessee, and such damage was caused by a casualty not covered under an insurance policy required to be maintained by Lessor pursuant to Paragraph 8.2, Lessor may at Lessor's option either *fi*) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or *fi*) give written notice to Lessee within thirty (30) days after the date of the occurrence of such damage, of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of such notice to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within the aforesaid period, this Lease shall be cancelled and terminated as of the date of the occurrence of such damage.

9.4 **Damage Near End of Term.** If the Premises are partially destroyed or damaged during the last six months of the term of this Lease, Lessor may, at Lessor's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Lessee of Lessor's election to do so within 30 days after the date of occurrence of such damage.

9.5 Abatement of Rent; Lessee's Remedies.

(a) If the Premises are partially destroyed or damaged and Lessor or Lessee repairs or restores them pursuant to the provisions of this Article, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired. Except for abatement of rent, if any, Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair or restoration.

9.6 Termination—Advance Payments. Upon termination of this Lease pursuant to this Paragraph 9, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's security deposit as has not theretofore been applied by Lessor.

10.1 Payment of Tax Increase. Lessor shall pay all real property taxes applicable to the Premises; provided, however, that Lessee shall pay, in addition to rent, the amount, if any, by which real property taxes applicable to the Premises increase over the fiscal tax year 19 74-75 . Such payment shall be made by Lessee within thirty (30) days after receipt of Lessor's written statement setting forth the amount of such increase and the reasonable computation thereof. If the term of this Lease shall not expire concurrently with the expiration of the tax fiscal year, Lessee's liability for increased taxes for the last partial lease year shall be prorated on an annual basis.

[illegible]

10.4. Personal Property Taxes.

(a) Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises or elsewhere. When possible, Lessee shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor.

1b) If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

12. Assignment and Subletting.

12.2 No Release of Lessee. Regardless of Lessor's consent, no subletting or assignment shall release Lessee or Lessee's obligation of primary liability to Lessor to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

13. Defaults; Remedies.

(a) The vacating or abandonment of the Premises by Lessee.

(c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be deemed a default by Lessee, other than described in paragraph (b) above, where such failure shall continue for a period of 30 days after written notice hereof from Lessor to Lessee; provided, however, that if the nature of Lessee's default is such that more than 30 days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

13.2 Remedies. In the event of any such material default or breach by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default or breach:

(b) Maintain Lessee's right to possession in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

3. Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises, naming and address shall have theretofore been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligation; and, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

[illegible]

16. Rent. For full and complete execution of this Lease by both parties, Lessor shall pay to NONE a

16. General Provisions.

(b) Lessee's failure to deliver such statement within such time shall be conclusive upon Lessee (i) that this Lease is in full force and effect, without modification except as may be represented by Lessor, (ii) that there are no uncured defaults in Lessor's performance, and (iii) that not more than one month's rent has been paid in advance.

10.2 **Lessor's Liability.** The term "Lessor" as used herein shall mean only the owner or owners at the time in question of the fee title of a Lessee's interest in a ground lease of the Premises, and except as expressly provided in Paragraph 15, in the event of any transfer of such title or interest, Lessor herein named shall, in case of any subsequent transfers, the title transferor shall be relieved from and after the date of such transfer of all liability as respects the obligations hereunder thereafter to be performed by the transferee. The obligations hereunder in the hands of Lessor or the then proprietor at the time of such transfer, in which case the obligations shall be delivered to the transferee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be performed by Lessor's successors and assigns, only during their respective periods of ownership.

16.4 **Interest on Past-due Obligations.** Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at 12% annum from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.

16.6 Captions. Article and paragraph captions are not a part hereof.

16.8 Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be served personally or by regular mail, addressed to Lessor and Lessee respectively at the addresses set forth after their signatures at the end of this Lease.

16.9 Waivers. No waiver by Lessor of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

16.10 Recording. Lessee shall not record this Lease without Lessor's prior written consent, and such recordation shall, at the option of Lessor, constitute a non-curable default of Lessee hereunder. Either party shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.

16.11 Holding Over. If Lessee remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Lessor, such occupancy shall be a tenancy from month to month at a rental in the amount of the last monthly rental plus all other charges payable hereunder, and upon all the terms hereof applicable to a month-to-month tenancy.

16.12 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

16.13 Covenants and Conditions. Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.

16.14 Binding Effect; Choice of Law. Subject to any provisions hereof restricting assignment or subletting by Lessee and subject to the provisions of Paragraph 16.2, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State of California.

16.15 Subordination.

(a) This Lease, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgage, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

(b) Lessee agrees to execute any documents required to effectuate such subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney in fact and in Lessee's name, place and stead, to do so.

16.16 Attorney's Fees. If either party ~~herein~~ brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney's fees to be paid by the losing party ~~as ordered by the court.~~

16.17 Lessor's Access. Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, or lenders, and making such alterations, repairs, improvements or additions to the Premises or to the building of which they are a part as Lessor may deem necessary or desirable. Lessor may at any time place on or about the Premises any ordinary "For Sale" signs and Lessor may at any time during the last 120 days of the term hereof place on or about the Premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee.

16.18 Signs and Auctions. Lessee shall not place any sign upon the Premises or conduct any auction thereon without Lessor's prior written consent.

16.19 Merger. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.

16.20 Corporate Authority. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

17. Option attached hereto marked "Exhibit B" and Incorporated herein by its reference as though fully set forth.

18. Paragraphs 19 through 22 are attached hereto and made a part hereof.

The parties hereto have executed this Lease at the place and on the dates specified immediately adjacent to their respective signatures.

If this Lease has been filled in it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Lease or the transaction relating thereto.

SOUTHERN CALIFORNIA AUTO AUCTION a Calif. Corp.

Executed at Sun Valley, California

By: Sam Adlen Pres.

CALIFORNIA CAR HIKERS SERVICE a Calif. Corp.

on October 25, 1974

By: Donald Hesterman Pres.

Address 11409 Penrose Street

By: SAM ADLEN

Sun Valley, California 91352

Gordon Donald Adlen
GORDON DONALD ADLEN "LESSORS"

Executed at _____

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

on _____

By: Richard M. Powers

Address _____

APPROVED AS TO FORM

"LESSEE"
Richard M. Powers
RICHARD M. POWERS
General Counsel

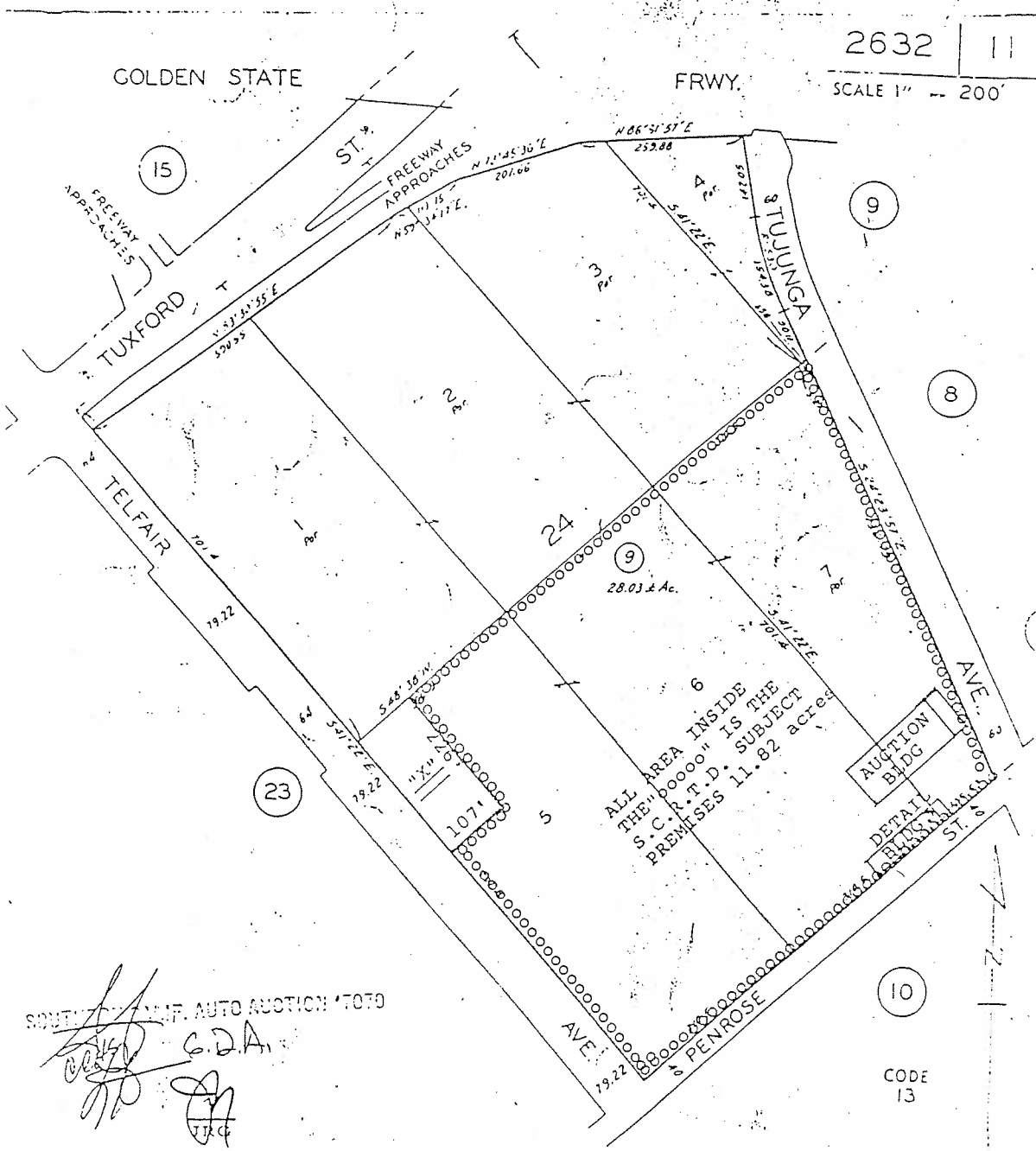
ADDENDUM TO LEASE DATED OCTOBER 25, 1974

19. Paragraphs 3.2, 8.1, and 8.3 of the printed portion of the lease are hereby deleted from this agreement.
20. It is understood and agreed that the Lessee is a public corporation of the State of California and as such is self-insured for public liability and property damage for an aggregate limit of \$2,750,000 with excess insurance in the Highland Insurance Company, Chicago Insurance Company and Employers Reinsurance Company in the amount of \$17,250,000. District's insurance covers contractual and assumed liability on a blanket basis and will be maintained during the term of this agreement.
21. Notwithstanding anything to the contrary contained in the lease, Lessee may make any alterations, improvements, additions or utility installations in, on or about the premises required for its operations including fuel storage tanks or other bus service facilities. Any storage tanks or other bus service installations made by the Lessee upon the premises shall be deemed to be trade fixtures and shall be governed by Paragraph 7.2 (c) of the lease.
22. The parties hereto covenant and agree that to their knowledge no Board member, officer, or employee of the Southern California Rapid Transit District has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the contracting party other than the District, and that if any such interest comes to the knowledge of either party at any time a full and complete disclosure of all such information will be made in writing to the other party or parties, even if such interest would not be considered a conflict of interest under Division 4.5 (commencing with Section 3600) of Title 1 of the Government Code of the State of California.

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SCALE 1" = 200'



SOUTHERN CALIF. AUTO AUCTION '7070
G.D.A.
JTC

LOS ANGELES LAND AND WATER CO'S SUBDIVISION
OF A PART OF MACLAY RANCHO M.B. 3-17-18

SCHILL AND SCHILL
REAL ESTATE APPRAISERS & CONSULTANTS
SAN FERNANDO, CALIFORNIA 91340

PLAT MAP

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17. Lessee is hereby granted an option to extend the term of this lease for an additional period of three years on expiration of the initial term hereof under the same terms, covenants and conditions so far as applicable, except that the rent for the extended term shall be that sum which bears the same proportion to \$300,000.00 that the United States Department of Labor's December 1, 1977 Cost of Living Index for the greater Los Angeles Metropolitan Area bears to the said Index figure for December 1, 1974. For example, if on December 1, 1974 the said Index figure is 135, and on December 1, 1977 it is 148.5 (an increase of 10%), the rent for the extended term will be \$330,000.00. The option shall be exercised by written notice setting forth Lessee's election to exercise the option delivered to Lessor in person or by mail not later than 120 days prior to the expiration of the initial term hereof.

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Dept. of Labor
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ASSIGNMENT OF RENT

AGREEMENT made this 1st day of July 1975, by and between BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association, (hereinafter referred to as "Bank") and CALIFORNIA CAR HIKERS SERVICE, SOUTHERN CALIFORNIA AUTO-AUCTION, SAM ADLEN and GORDON D. ADLEN, (hereinafter referred to collectively as "Assignor");

1. Assignor irrevocably grants, transfers and assigns to Bank all rents and sums due or to become due under that certain Lease Agreement dated October 25, 1974, for the lease of real property commonly known as 11409 Penrose Street, Sun Valley, California, as more fully described in the Lease, entered into by and between Assignor, as lessor and Southern California Rapid Transit District, as lessee (hereinafter referred to as "So. Cal. R.T.D."). This assignment is made to provide a means of payment to Bank for Bank's loan of \$800,000 to California Car Hikers, secured by a deed of trust on the leased premises under the Lease Agreement.

2. Assignor warrants and represents that:

a. Assignor is the lawful owner of the entire Lessor's interest in the aforescribed Lease Agreement;

b. The Lease Agreement is genuine and in all respects complete and there are no defaults or breaches thereof by Assignor;

c. So. Cal. R.T.D. had full capacity to enter into the Lease Agreement;

d. Assignor has the right to make this Assignment;

Full title and right to receive all rents and sums due or to become due under the Lease Agreement is vested in Bank by this Assignment.

3. Assignor appoints Bank its true, lawful, and irrevocable attorney to demand, receive, and enforce payment, to give receipts, releases, and satisfactions, and to sue, either in the name of Assignor or in the name of Bank, for all rents and sums payable under the Lease Agreement between Assignor and So. Cal. R.T.D.

4. Assignor consents that without further notice and without releasing the liability of Assignor, Bank may, at Bank's discretion, give grace or indulgence in the collection of all rents and sums due or to become due under the Lease Agreement between Assignor and So. Cal. R.T.D. and grant extensions of time for the payment of the same before, at, or after maturity.

5. Assignor agrees that Bank may proceed against California Car Hikers, on the loan to which this Assignment pertains, directly or independently of So. Cal. R.T.D., that cessation of the liability of So. Cal. R.T.D. for any reason other than full payment shall not in any way affect the liability of California Car Hikers on the loan to which this Assignment pertains or any liability of Assignor under this Assignment.

6. Bank does not assume any of Assignor's obligations under the Lease Agreement and Assignor agrees:

a. To keep and perform all obligations of the lessor under the Lease Agreement and to save Bank harmless from the consequences of any failure to do so; and

to preserve the leased premises under the Lease Agreement free and clear of liens and encumbrances, except to or with the consent of Bank.

7. Assignor agrees that:

a. Assignor will not assign any other interest in the lease or Lease Agreement;

b. Notice of this assignment may be given to So. Cal. R.T.D. at any time at Bank's option; and

c. In the event any payment under the Lease Agreement is made to Assignor, Assignor will promptly transmit such payment to Bank in the same form as it is received by Assignor except that Assignor will endorse instruments which are payable to Assignor.

8. Assignor authorizes, empowers and directs So. Cal. R.T.D. to pay to Bank by check drawn to the order of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, 8005 Vineland Avenue, Sun Valley, California 91352, any and all rents and sums due or to become due to Assignor by virtue of said Lease Agreement between Assignor and So. Cal. R.T.D.

9. Any liability hereunder of a person or entity that is one of the parties collectively referred to as "Assignor" shall be joint and several.

10. Assignor agrees to execute and deliver to Bank upon demand such additional assurances, writings or other instruments as may be required by Bank to effectuate the purpose hereof.

11. This Assignment is irrevocable and shall remain in full force and effect until released in writing.

12. This agreement shall be interpreted and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in the State of California, the day and year first above written.

CALIFORNIA CAR HIKE'S SERVICE

By Robert L. Adlen

SOUTHERN CALIFORNIA AUTO AUCTION

By Robert L. Adlen

By [Signature]

SAN ADLEN

GORDON D. ADLEN

x Gordon D. Adlen

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By J. L. [Signature]

By [Signature]

SOUTHERN CALIFORNIA RAPID TRANSIT
DISTRICT

By [Signature]

By [Signature]

APPROVED AS TO FORM

[Signature]
RICHARD L. POWERS
Notary Public

ADDENDUM TO LEASE DATED OCTOBER 25, 1974

19. Paragraphs 3.2, 8.1, and 8.3 of the printed portion of the lease are hereby deleted from this agreement.

20. It is understood and agreed that the Lessee is a public corporation of the State of California and as such is self-insured for public liability and property damage for an aggregate limit of \$2,750,000 with excess insurance in the Highland Insurance Company, Chicago Insurance Company and Employers Reinsurance Company in the amount of \$17,250,000. District's insurance covers contractual and assumed liability on a blanket basis and will be maintained during the term of this agreement.

21. Notwithstanding anything to the contrary contained in the lease, Lessee may make any alterations, improvements, additions or utility installations in, on or about the premises required for its operations including fuel storage tanks or other bus service facilities. Any storage tanks or other bus service installations made by the Lessee upon the premises shall be deemed to be trade fixtures and shall be governed by Paragraph 7.2 (c) of the lease.

22. The parties hereto covenant and agree that to their knowledge no Board member, officer, or employee of the Southern California Rapid Transit District has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the contracting party other than the District, and that if any such interest comes to the knowledge of either party at any time a full and complete disclosure of all such information will be made in writing to the other party or parties, even if such interest would not be considered a conflict of interest under Division 4.5 (commencing with Section 3600) of Title 1 of the Government Code of the State of California.

Standard Industrial Lease

AUGUST NO.
2176

1. Parties. This Lease, dated 7-1-80, for reference purposes only, 19 80, is made by and between S. ADLEN

(herein called "Lessor") and SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT, a Public Corporation of the State of California (herein called "Lessee").

2. Premises. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein, that certain real property situated in the County of Los Angeles State of California, commonly known as 11409 Penrose Street, Sun Valley, California

and described as Those parts of Portions 5, 6 and 7, composing 11.82 acres as shown in the attached plot plan, marked "Exhibit A", and incorporated by reference as though here fully set forth, which includes all of portion 7, all of portion 6, and all of portion 5 except an area measuring 107 feet by 226 on the northerly/westerly corner of portion 5 as indicated in said plot plan by the area marked "X"

Said real property including the land and all improvements thereon, is herein called "the Premises".

3. Term.

3.1 Term. The term of this Lease shall be for five (5) years commencing on July 1, 1980 and ending on June 30, 1985 unless sooner terminated pursuant to any provision hereof.

3.2 Delay in Commencement. Notwithstanding said commencement date, if for any reason Lessor cannot deliver possession of the Premises on said date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder or extend the term hereof, but in such case Lessee shall not be obligated to pay rent until possession of the Premises is tendered to Lessee; provided, however, that if Lessor shall not have delivered possession of the Premises within sixty (60) days from said commencement date, Lessee may, at its option, by notice in writing to Lessor within ten (10) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder. If Lessee occupies the Premises prior to said commencement date, such occupancy shall be subject to all provisions hereof, such occupancy shall not advance the termination date, and Lessee will pay rent for such period at the initial monthly rates set forth below.

4. Rent. Lessee shall pay to Lessor as rent for the Premises Eight Hundred Seventy Nine Thousand dollars (\$879,132), payable in ~~XXXX~~ monthly installments ~~XXXXXXX~~ in advance, on the first day of each month of the term hereof. ~~XXXXXXX~~ as follows: \$12,000 per month during the first year; \$13,200 per month during the second year; \$14,520 per month during the third year; \$15,972 per month during the fourth year; and \$17,569 per month during the fifth year.

Rent for any period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Lessor at the address stated herein or at such other places as Lessor may designate in writing.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof \$ as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer as a result of Lessee's default. Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned, without payment of interest or other increment for its use, to Lessee or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder at the expiration of the term hereof, and after Lessee has vacated the Premises.

6. Use.

6.1 Use. The Premises shall be used and occupied only for A bus operating and maintenance facility and related transportation purposes

6.2 Compliance with Law. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term or any part of the term hereof regulating the use by Lessee of the Premises. Lessee shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance or, if there shall be more than one tenant ~~XXXXXXX~~ on the Premises, which shall tend to disturb such other tenants.

6.3 Condition of Premises. Lessee hereby accepts the Premises in their condition existing as of the date of the execution hereof, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Premises, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the suitability of the Premises for the conduct of Lessee's business.

7. Maintenance, Repairs and Alterations.

7.1 Lessee's Obligations. Lessee shall during the term of this Lease keep in good order, condition and repair, the Premises and every part thereof, structural or non-structural, and all adjacent sidewalks, landscaping, driveways, parking lots, fences and signs located in the areas which are adjacent to and included with the Premises. Lessor shall incur no expense nor have any obligation of any kind whatsoever in connection with maintenance of the Premises, and Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition and repair.

7.2 Surrender. On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as when received, broom clean, ordinary wear and tear excepted. Lessee shall repair any damage to the Premises occasioned by the removal of Lessee's trade fixtures, furnishings and equipment pursuant to Paragraph 7.4(c), which repair shall include the patching and filling of holes and repair of structural damage.

7.3 Lessor's Rights. If Lessee fails to perform Lessee's obligations under this Paragraph 7, Lessor may at its option (but shall not be required to) enter upon the Premises, after ten (10) days' prior written notice to Lessee, and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the rate of 10% per annum shall become due and payable as additional rental to Lessor together with Lessee's next rental installment.

7.4 Alterations and Additions.

7.4.1 Lessee shall not, without Lessor's prior written consent, make any alterations, improvements, additions or changes to the Premises, except for non-structural alterations not exceeding \$1,000 in cost. As used in this Paragraph, the term "improvements" shall include bus ducting, power panels, fluorescent fixtures, space heating, conduits and wiring. As a condition to giving such consent, Lessor may require that Lessee agree to remove any such alterations or improvements, additions or utility installations at the expiration of the term, and to restore the Premises to its original condition. As a further condition to giving such consent, Lessor may require Lessee to provide Lessor, at Lessee's sole cost and expense, a lien and performance bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure that the improvements are completed and materials men's liens and to secure completion of the new work.

7.4.2 Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee or for use in the Premises, which claims are or may be secured by any mechanics' or materials men's lien against the Premises or any interest therein. Lessee shall give Lessor written notice ten (10) days' notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non-compliance in or on the Premises as provided by law.

8. Insurance; Indemnity.

~~The following conditions shall apply to all policies of insurance procured by Lessor under this lease agreement:~~

4. S.4 Insurance Policies. Insurance required hereunder shall be in companies rated AAA or better in "Best's Insurance Guide". The insuring party shall deliver to the other party copies of policies of such insurance or certificates evidencing the existence and amounts of such insurance with less payable clauses satisfactory to Lessor. No such policy shall be cancellable or subject to reduction of coverage or other modification except after ten (10) days' prior written notice to Lessor. If Lessee is the insuring party Lessee shall, within ten (10) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee upon demand. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to in Paragraph 8.3. If Lessee does or permits to be done anything which shall increase the cost of the insurance policies referred to in Paragraph 8.3, then Lessee shall forthwith upon Lessor's demand reimburse Lessor for any additional premiums attributable to any act or omission or operation of Lessee causing such increase in the cost of insurance. If Lessor is the insuring party, and if the insurance policies maintained hereunder cover other improvements in addition to the Premises, Lessor shall deliver to Lessee a written statement setting forth the amount of any such insurance cost increase and showing in reasonable detail the manner in which it has been computed.

8.6 Indemnity. Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligence of the Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor.

9. Damage or Destruction.

9.2 **Partial Damage—Uninsured.** Subject to the provisions of Paragraph 9.4, if at any time during the term hereof the Premises are damaged, except by a negligent or willful act of Lessee, and such damage was caused by a casualty not covered under an insurance policy required to be maintained pursuant to Paragraph 8.3, Lessor may at Lessor's option either (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of the occurrence of such damage of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of such notice to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within such 10-day period this Lease shall be cancelled and terminated as of the date of the occurrence of such damage.

9.4. Damage Near End of Term. If the Premises are partially destroyed or damaged during the last six months of the term of this Lease, Lessor may at Lessor's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Lessee of Lessor's election to do so within 30 days after the date of occurrence of such damage.

9.5 Abatement of Rent; Lessee's Remedies.

(a) If the Premises are partially destroyed or damaged and Lessor or Lessee repairs or restores them pursuant to the provisions of this Article, the rent payable under Paragraph 4 for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired; provided, however, that the aggregate amount of abatement hereunder shall not exceed the total of rent payable under Paragraph 4 for a period of six months. Except for abatement of rent, if any, Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair or restoration.

9.6 Termination-Advance Payments. Upon termination of this Lease pursuant to this Paragraph 9, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's security deposit as is not theretofore been applied by Lessor.

in case at least ten (10) days prior to the due date of any such payment, Lessee shall promptly furnish Lessor with satisfactory evidence that such taxes have been paid. If any such taxes paid by Lessee cover any period of time occurring after the expiration of the term hereof, Lessor's share of such taxes shall be proportionately prorated to cover only the period of time within the tax fiscal year during which such taxes shall be in effect, and Lessor shall reimburse Lessee to the extent required. If Lessee shall fail to pay any such taxes, Lessor shall have the right to pay the same, and Lessee shall

[illegible]

11.4. Personal Property Taxes. Lessee shall pay prior to ten (10) days after the date of assessment all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises or elsewhere. When applicable, Lessee shall cause said trade fixtures, equipment and all other personal property to be assessed and billed separately from the real property of Lessor.

Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Lessee, Lessee shall pay a reasonable proportion to be determined by Lessor of all charges jointly metered with other premises.

12. Assignment and Subletting.

12.1. Lessor's Consent Required. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Premises, without Lessor's prior written consent, which Lessor shall not unreasonably withhold. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Lease.

12.2. No Release of Lessee. Regardless of Lessor's consent, no subletting or assignment shall release Lessee of Lessee's obligation or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

12.3. Attorney's Fees. In the event that Lessor shall consent to a sublease or assignment under Paragraph 12.1, Lessee shall pay Lessor's reasonable attorney's fees not to exceed \$100 incurred in connection with giving such consent.

13. Defaults; Remedies.

13.1. Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:

(a) The vacating or abandonment of the Premises by Lessee.

(b) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of three days after written notice thereof from Lessor to Lessee.

(c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph (b) above, where such failure shall continue for a period of 30 days after written notice hereof from Lessor to Lessee; provided, however, that if the nature of Lessee's default is such that more than 30 days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(d) (i) The making by Lessee of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days.

13.2. Remedies. In the event of any such material default or breach by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default or breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Lessee proves could be reasonably avoided; that portion of the leasing commission paid by Lessor pursuant to Paragraph 15 applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of 10% per annum. In the event Lessee shall have abandoned the Premises, Lessor shall have the option of (i) retaking possession of the Premises and recovering from Lessee the amount specified in this Paragraph 13.2(a), or (ii) proceeding under Paragraph 13.2(b).

(b) Maintain Lessee's right to possession in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(c) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the State of California.

13.3. Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligations; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

13.4. Late Charge. Lessee hereby acknowledges that late payment by Lessee to Lessor is a breach of this Lease and that such breach is not limited to, but includes, interest not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to 10% of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor under this Lease.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the improvements on the Premises, or more than 25% of the land area of the Premises which is not occupied by any improvements, is taken by condemnation, Lessee may, at Lessee's option, to be exercised in writing only within ten (10) days after Lessor shall have given Lessee written notice of such taking for in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area taken bears to the total floor area of the building situated on the Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the freehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any award for loss of or damage to Lessee's trade fixtures and removable personal property. In the event that this Lease is not terminated by reason of such condemnation, Lessor shall, to the extent of severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefor by the condemning authority. Lessee shall pay any amount in excess of such severance damages required to complete such repair.

15. Broker's Fee. Upon execution of this Lease by both parties, Lessor shall pay to None a broker's fee of \$ — for brokerage services heretofore rendered. Lessor further agrees that if Lessee exercises any option granted herein or any option substantially similar hereto, either to extend the term of this Lease, to renew this Lease, to purchase said Premises or any portion thereof and/or any adjacent property which Lessor may own or in which Lessor has an interest, or any other option granted herein, or if a broker is the procuring cause of any other lease or sale entered into between the parties pertaining to the Premises and/or any adjacent property in which Lessor has an interest, then as to any of said transactions, Lessor shall pay said broker's fee in accordance with the schedule of said broker in effect at the time of execution of this Lease. Lessor agrees to pay said fee not only on behalf of Lessor but also on behalf of any person, corporation, partnership, trust, or other entity having an ownership interest in said real property or any part thereof, when such fee is due hereunder. Any transfer of ownership of the Premises or any portion thereof by Lessee to a third party shall be deemed to have assumed Lessor's obligation under this Paragraph 15. ~~Any transfer of ownership of the Premises or any portion thereof by Lessee to a third party shall be deemed to have assumed Lessor's obligation under this Paragraph 15.~~

16. General Provisions.

16.1. Estoppel Certificate.

(a) Lessee shall at any time upon not less than ten (10) days' prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect for, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the rent and other charges are paid in advance, if any, and (ii) certifying that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Lessee's failure to deliver such statement within such time shall be conclusive upon Lessee (i) that this Lease is in full force and effect, without modification except as may be represented by Lessor, and that there are no uncured defaults in Lessor's performance, and (ii) that not more than one month's rent has been paid in advance.

(c) If Lessor desires to finance or refinance the Premises, or any part thereof, Lessee hereby agrees to deliver to any lender designated by Lessor such financial statements of Lessee as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Lessee. All such financial statements shall be reviewed by Lessor in confidence and shall be used only for the purposes herein set forth.

16.2. Lessor's Liability. The term "Lessor" as used herein shall mean only the owner or owners at the time in question of the fee title in a Lessee's interest in a portion of the Premises, and except as expressly provided in Paragraph 12, in the event of any transfer of such title or interest, Lessor shall be deemed to have assigned to the grantee the then existing lease and shall be relieved from and after the date of such transfer of all liability, as respects the performance of the obligations hereunder to be performed, provided that any transfer in the hands of Lessor or the then grantor at the time of such transfer, in which the obligations hereunder shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be performed by Lessor's successors and assigns, only during their respective period of ownership.

16.3. Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of the other provisions hereof.

- 15.4 Interest on Past-due Obligations. Except as expressly herein provided, any amount due but not paid when due shall bear interest at 10% per annum from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.
- 16.5 Time of Essence. Time is of the essence.
- 16.6 Captions. Article and paragraph captions are not a part hereof.
- 16.7 Incorporation of Prior Agreements; Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.
- 16.8 Notices. Any notice required or permitted to be given hereunder shall be in writing and may be served personally or by registered mail, addressed to Lessor and Lessee respectively at the addresses set forth after their signatures at the end of this Lease.
- 16.9 Waivers. No waiver by Lessor of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.
- 16.10 Recording. Lessee shall not record this Lease without Lessor's prior written consent, and such recordation shall, at the option of Lessor, constitute a non-curable default of Lessee hereunder. Either party shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.
- 16.11 Holding Over. If Lessee remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Lessor, such occupancy shall be a tenancy from month to month at a rental in the amount of the last monthly rental plus all other charges payable hereunder, and upon all the terms hereof applicable to a month-to-month tenancy.
- 16.12 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- 16.13 Covenants and Conditions. Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.
- 16.14 Binding Effect; Choice of Law. Subject to any provisions hereof restricting assignment or subletting by Lessee and subject to the provisions of Paragraph 16.2, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State of California.
- 16.15 Subordination.
- (a) This Lease, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.
- (b) Lessee agrees to execute any documents required to effectuate such subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Lessor as Lessee's attorney in fact and in Lessee's name, place and stead, to do so.
- 16.16 Attorney's Fees. If either party ~~named herein~~ brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney's fees to be paid by the losing party as fixed by the court.
- 16.17 Lessor's Access. Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, or lenders, and making such alterations, repairs, improvements or additions to the Premises or to the building of which they are a part as Lessor may deem necessary or desirable. Lessor may at any time place on or about the Premises any ordinary "For Sale" signs and Lessor may at any time during the last 120 days of the term hereof place on or about the Premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee.
- 16.18 Signs and Auctions. Lessee shall not place any sign upon the Premises or conduct any auction thereon without Lessor's prior written consent.
- 16.19 Merger. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.
- 16.20 Corporate Authority. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.
- 16.21 Insuring Party. The insuring party under this lease shall be the Lessee.

17-22 See Additional Provisions on next page

The parties hereto have executed this Lease at the place and on the dates specified immediately adjacent to their respective signatures.

If this Lease has been filled in it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Lease or the transaction relating thereto.

Executed at Sun Valley, California
on June 20, 1980
Address 11590 Tuxford Street
Sun Valley, California

By S. Adlen

By _____

By _____

"LESSOR"

SOUTHERN CALIFORNIA RAPID
TRANSIT DISTRICT

By Don A. Gifford

Executed at _____
on _____
Address _____

APPROVED AS TO FORM LESSEE

Suzanne B. Gifford
SUZANNE B. GIFFORD

ASSISTANT GENERAL COUNSEL 6-19-80

Additional Provisions

10. 1. Payment of Tax Increase. Lessor shall pay all real property taxes applicable to the Premises; provided, however, that Lessee shall pay, in addition to rent, the amount, if any, by which real property taxes applicable to the Premises increase over the fiscal tax year 1979-80. Such payment shall be made by Lessee within 30 days after receipt of Lessor's written statement setting forth the amount of such increase and the reasonable computation thereof. If the term of this Lease shall not expire concurrently with the expiration of the tax fiscal year, Lessee's liability for increased taxes for the last partial lease year shall be prorated on an annual basis.

17. Lessee is hereby granted an option to reduce the term of this lease from five years (sixty months) to forty-two months, so that this Lease terminates on September 30, 1983. The option shall be exercised, if at all, by written notice setting forth Lessee's election to exercise the option delivered to Lessor in person or by mail not later than March 31, 1983. If Lessee exercises the said option, it shall pay to Lessor, in addition to the rent elsewhere in this Lease specified for said forty-two month term, the sum of \$158,121 being the sum equivalent to what would otherwise have been the rent for the last nine months of the five-year lease term herein specified. Said \$158,121 shall be paid at the time said option is exercised, and the exercise of said option shall not be effective unless accompanied by said payment.

18. All rent and other monies due from Lessee to Lessor under this Lease shall be remitted by check drawn in the name of Lessor alone and sent to Lessor at 11590 Tuxford Street, Sun Valley, California 91352.

19. Paragraphs 3.2, 8.1, and 8.3 of the printed portion of the lease are hereby deleted from this agreement.

20. Lessee is a public corporation of the State of California and is self-insured for public liability and property damage for an aggregate limit of \$2,750,000 with excess insurance in the Highland Insurance Company, Chicago Insurance Company and Employers Reinsurance Company in the amount of \$17,250,000. District's insurance covers contractual and assumed liability on a blanket basis and will be maintained during the term of this agreement.

21. Notwithstanding anything to the contrary contained in the lease, Lessee may make any alterations, improvements, additions or utility installations in, on or about the premises required for its operations including fuel storage tanks or other bus service facilities. Any storage tanks or other bus service installations made by the Lessee upon the premises shall be deemed to be trade fixtures and shall be governed by Paragraph 7.4 (c) of the lease.

22. The parties hereto covenant and agree that to their knowledge no Board Member, officer, or employee of the Southern California Rapid Transit District has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the contracting party other than the District, and that if any such interest comes to the knowledge of either party at any time a full and complete disclosure of all such information will be made in writing to the other party or parties, even if such interest would not be considered a conflict of interest under Division 4.5 (commencing with Section 3600) of Title 1 of the Government Code of the State of California.



STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE -- NET

(DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only, November 6, 2001, is made by and between California Car Hikers Service, a California corporation ("Lessor") and The Adlen Family Limited Partnership, a California limited partnership ("Lessee").

(collectively the "Parties," or individually a "Party").

1.2 Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 11590 Tuxford Street, 11409 Penrose Street, 8520 Telfair Avenue (Sun Valley), located in the County of Los Angeles, State of California, and generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project) legal description of Premises attached hereto as Exhibit "A"

("Premises"). (See also Paragraph 2)

1.3 Term: three (3) years and 0 months ("Original Term") commencing January 1, 2002 ("Commencement Date") and ending December 31, 2005 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: Lessee in possession under prior Lease term ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$55,000 per month ("Base Rent"), payable on the first (1st) day of each month commencing January 1, 2002. (See also Paragraph 4)

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted.

1.6 Base Rent Paid Upon Execution: \$55,000 as Base Rent for the period X

1.7 Security Deposit: \$-0- ("Security Deposit"). (See also Paragraph 5)

1.8 Agreed Use: auto salvage yard and related businesses (See also Paragraph 6)

1.9 Insuring Party: Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.10 Real Estate Brokers: (See also Paragraph 15)

(a) Representation: The following real estate brokers (collectively, the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

☐ N/A represents Lessor exclusively ("Lessor's Broker");
☐ N/A represents Lessee exclusively ("Lessee's Broker"); or
☐ N/A represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Broker the fee agreed to in their separate written agreement (or if there is no such agreement, the sum of 0 % of the total Base Rent for the brokerage services rendered by said Broker).

1.11 Guarantor: The obligations of the Lessee under this Lease are to be guaranteed by None ("Guarantor"). (See also Paragraph 37)

1.12 Addenda and Exhibits: Attached hereto is an Addendum or Addenda consisting of Paragraphs 50 through 51 and Exhibits "A", all of which constitute a part of this Lease.

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating rental, is an approximation which the Parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee within thirty (30) days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date and that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects. If a non-compliance with said warranty exists as of the Start Date, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify same at Lessor's expense. If, after the Start Date, Lessee does not give Lessor written notice of any non-compliance with this warranty within: (i) one year as to the surface of the roof and the structural portions of the roof, foundations and bearing walls, (ii) six (6) months as to the HVAC systems, (iii) thirty (30) days as to the remaining systems and other elements of the Building, correction of such non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense.

2.3 Compliance. Lessor warrants that the improvements on the Premises comply with all applicable laws, covenants or restrictions of record, building codes, regulations and ordinances ("Applicable Requirements") in effect on the Start Date. Said warranty does not apply to the use to which Lessee will put the Premises or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. NOTE: Lessee is responsible for determining whether or not the zoning is appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within six (6) months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed (as opposed to being in existence at the Start Date, which is addressed in Paragraph 6.2(e) below) so as to require during the term of this Lease the construction of an addition to or an alteration of the Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premise by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last two (2) years of this Lease and the cost thereof exceeds six (6) months' Base Rent, Lessee may instead terminate the

Lessee unless Lessor notifies Lessee, in writing, within ten (10) days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount of six (6) months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least ninety (90) days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor and Lessee shall allocate the obligation to pay for such costs pursuant to the provisions of Paragraph 7.1(c); provided, however, that if such Capital Expenditure is required during the last two years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon ninety (90) days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within ten (10) days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost thereof, and Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use; (b) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises; and (c) neither Lessor, Lessor's agents, nor any Broker has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (a) Broker has made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises; and (b) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such early possession. All other terms of this Lease (including, but not limited to, the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall, however, be in effect during such period. Any such early possession shall not affect the Expiration Date.

3.3 Delay In Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until it receives possession of the Premises. If possession is not delivered within sixty (60) days after the Commencement Date, Lessee may, at its option, by notice in writing within ten (10) days after the end of such sixty (60) day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said ten (10) day period, Lessee's right to cancel shall terminate. Except as otherwise provided, if possession is not tendered to Lessee by the Start Date and Lessee does not terminate this Lease, as aforesaid, any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession of the Premises is not delivered within four (4) months after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. Rent for any period during the term hereof which is for less than one (1) full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of said Security Deposit, Lessee shall within ten (10) days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on said change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within fourteen (14) days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within thirty (30) days after the Premises have been vacated pursuant to Paragraph 7.4(c) below, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to neighboring properties. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within five (5) business days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in use.

6.2 Hazardous Substances. Intentionally Omitted.

~~(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law~~

theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which existed as a result of Hazardous Substances on the Premises prior to the Start Date or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Start Date, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in Paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds twelve (12) times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date sixty (60) days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within ten (10) days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to twelve (12) times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within ten (10) days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements.

6.4 **Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30 below) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a contamination is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspections, so long as such inspection is reasonably related to the violation or contamination.

7. Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations, and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, heating, ventilating, air-conditioning, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, (vi) driveways and parking lots, (vii) clarifiers (viii) basic utility feed to the perimeter of the Building, and (ix) any other equipment, if reasonably required by Lessor.

(c) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and maintain good maintenance practices, if the Basic Elements described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% or the cost of replacing such Basic Elements, then such Basic Elements shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is the number of months of the useful life of such replacement as such useful life is specified pursuant to Federal income tax regulations or guidelines for depreciation thereof (including interest on the unamortized balance as is then commercially reasonable in the judgment of Lessor's accountants), with Lessee reserving the right to prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), It is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions; Consent Required.** The term "Utility Installations" refers to all floor and window coverings, air lines, power panels, electrical distribution, security and fire protection systems, communication systems, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a). Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, and the cumulative cost thereof during this Lease as extended does not exceed \$50,000 in the aggregate or \$10,000 in any one year.

(b) **Consent.** Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount equal to the greater of one month's Base Rent, or \$10,000, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to one and one-half times the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Indemnification.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to one and one-half times the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per Paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than ninety (90) and not later than thirty (30) days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender/Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee Owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee, and the removal, replacement, or remediation of any soil, material or groundwater contaminated by Lessee. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment For Insurance.** Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of \$2,000,000 \$1,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within ten (10) days following receipt of an invoice.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability Policy of Insurance protecting Lessee and Lessor against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$2,000,000 per occurrence with an "Additional Insured-Managers or Lessors of Premises Endorsement" and contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire. The Policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. All insurance carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any groundlessor, and to any Lender(s) insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lenders, but in no event more than the commercially reasonable and available insurable value thereof. If Lessor is the insuring Party, however, Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee under Paragraph 8.4 rather than by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to

where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$1,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one (1) year. Said Insurance shall provide that in the event the Lease is terminated by reason of an Insured loss, the period of indemnity for such coverage shall be extended beyond the date of the completion of repairs or replacement of the Premises, to provide for one full year's loss of Rent from the date of any such loss. Said Insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next twelve (12) month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 Lessee's Property/Business Interruption Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain Insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such Insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such Insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

~~(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.~~

(c) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such Insurance or certificates evidencing the existence and amounts of the required Insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "Insurance binders" evidencing renewal thereof, or Lessor may order such Insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the Insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of Insurance carried or required, or by any deductibles applicable hereto.

The Parties agree to have their respective property damage Insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the Insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor from Liability.** Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee's business or for any loss of income or profit therefrom.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the Improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in six (6) months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in six (6) months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to Improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the Improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable Insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the Improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in Insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within ten (10) days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said ten (10) day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within ten (10) days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or have this Lease terminate thirty (30) days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some Insurance coverage, but the net proceeds of any such Insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective sixty (60) days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within ten (10) days after receipt of the termination notice

to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance of such funds within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last six (6) months of this Lease there is damage for which the cost to repair exceeds one (1) month's Base Rent, whether or not an insured Loss, Lessor may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Lessee within thirty (30) days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is ten days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within ninety (90) days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than sixty (60) days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within thirty (30) days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within said thirty (30) days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination - Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

9.8 **Waive Statutes.** Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

10. **Real Property Taxes.**

10.1 **Definition of "Real Property Taxes."** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises.

10.2

(a) **Payment of Taxes.** Lessee shall pay the Real Property Taxes applicable to the Premises during the term of this Lease. Subject to Paragraph 10.2(b), all such payments shall be made at least ten (10) days prior to any delinquency date. Lessee shall promptly furnish Lessor with satisfactory evidence that such taxes have been paid. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such taxes shall be prorated to cover only that portion of the tax bill applicable to the period that this Lease is in effect, and Lessor shall reimburse Lessee for any overpayment. If Lessee shall fail to pay any required Real Property Taxes, Lessor shall have the right to pay the same, and Lessee shall reimburse Lessor therefor upon demand.

(b) **Advance Payment.** In the event Lessee incurs a late charge on any Rent payment, Lessor may, at Lessor's option, estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee, either: (i) in a lump sum amount equal to the installment due, at least twenty (20) days prior to the applicable delinquency date, or (ii) monthly in advance with the payment of the Base Rent. If Lessor elects to require payment monthly in advance, the monthly payment shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sums as are necessary to pay such obligations. All monies paid to Lessor under this Paragraph may be intermingled with other monies of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any balance of funds paid to Lessor under the provisions of this Paragraph may, at the option of Lessor, be treated as an additional Security Deposit.

10.3 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause such property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within ten (10) days after receipt of a written statement.

11. **Utilities.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered. Lessor shall pay up to \$5,000 per month for trash disposal. Lessee to pay all amounts in excess of \$5,000 per month for such trash disposal service supplied to the Premises. Lessor shall pay up to \$3,000 per month for power service supplied to the Premises. Lessee to pay all amounts in excess of \$3,000 per month for such power service supplied to the Premises.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) A change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than twenty-five percent (25%) of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any grace period. If Lessor elects to treat such proposed assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon thirty (30) days written notice, increase the monthly Base Rent to one hundred ten percent (110%) of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to one hundred ten percent (110%) of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to One Hundred Ten Percent (110%) of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, any assignment or subletting shall not: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease; (ii) release Lessee of any obligations hereunder; or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$1,000 or ten percent (10%) of the current monthly Base Rent applicable to the portion of the Premises which is the subject of the proposed assignment or sublease, whichever is greater, as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested.

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment or entering into such sublease, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or rules under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of three (3) business days following written notice to Lessee.

(c) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) a Estoppel Certificate, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42 (easements), or (viii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of ten (10) days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this subparagraph 13.1 (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(f) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(g) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor; (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty; (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing; (iv) a Guarantor's refusal to honor the guaranty; or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within sixty (60) days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within ten (10) days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee upon receipt of invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its option, may require all future payments to be made by Lessee to be by cashier's check. In the event of a Breach, Lessor may, with or

without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right of possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent (1%). Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of Rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within five (5) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a one-time late charge equal to ten percent (10%) of each such overdue amount. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the thirty-first (31st) day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be equal to the prime rate reported in the Wall Street Journal as published closest prior to the date when due plus four percent (4%), but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than thirty (30) days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within thirty (30) days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent an amount equal to the greater of one month's Base Rent or the Security Deposit, and to pay an excess of such expense under protest, reserving Lessee's right to reimbursement from Lessor. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of any building portion of the Premises, or more than twenty-five percent (25%) of the land area portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokers' Fee.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the schedule of said Brokers in effect at the time of the execution of this Lease.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Each Broker shall be a third party beneficiary of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to a Broker any amounts due as and for commissions pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within ten (10) days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker.

Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or fi (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, and/or attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within ten (10) days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the American Industrial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such ten day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's Rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including, but not limited to, Lessee's financial statements for the past three (3) years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Except as provided in Paragraph 15, upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined. Notwithstanding the above, and subject to the provisions of Paragraph 20 below, the original Lessor under this Lease, and all subsequent holders of the Lessor's interest in this Lease shall remain liable and responsible with regard to the potential duties and liabilities of Lessor pertaining to Hazardous Substances as outlined in Paragraph 6 above.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. Subject to the provisions of Paragraph 17 above, the obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, the individual partners of Lessor or its or their individual partners, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against the individual partners of Lessor, or its or their individual partners, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. The liability (including court costs and Attorneys' fees), of any Broker with respect to negotiation, execution, delivery or performance by either Lessor or Lessee under this Lease or any amendment or modification hereto shall be limited to an amount up to the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt, provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers. No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent applicable during the month immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lessor's Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** Subject to the non-disturbance provisions of Paragraph 30.3, Lessee agrees to attorn to a Lender or any other party who acquires ownership of the Premises by reason of foreclosure of a Security Device, and that in the event of such foreclosure, such new owner shall not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (ii) be subject to any offsets or defenses which Lessee might have against any prior lessor; or (iii) be bound by prepayment of more than one (1) month's rent.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within sixty (60) days after the execution of this Lease, Lessor shall use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said sixty (60) days, then Lessee may, at Lessee's option, directly contact Lessor's lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises to enforce the terms hereof or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach.

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for the purpose of showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary. All such activities shall be without abatement of rent or liability to Lessee. Lessor may at any time place on the Premises any ordinary "For Sale" signs and Lessor may during the last six (6) months of the term hereof place on the Premises any ordinary "For Lease" signs. Lessee may at any time place on or about the Premises any ordinary "For Sublease" sign.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Except for ordinary "For Sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within ten (10) days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including, but not limited to, architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including, but not limited to, consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within ten (10) business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the American Industrial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) a Tenancy Statement, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.**

39.1 **Definition.** "Option" shall mean: (a) the right to extend the term of or renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Each Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given three (3) or more notices of separate Default, whether or not the Defaults are cured, during the twelve (12) month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term, (i) Lessee fails to pay Rent for a period of thirty (30) days after such Rent becomes due (without any necessity of Lessor to give notice thereof), (ii) Lessor gives to Lessee three (3) or more notices of separate Default during any twelve (12) month period, whether or not the Defaults are cured, or (iii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will observe all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and that Lessee will pay its fair share of common expenses incurred in connection therewith.

41. **Security Measures.** Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications,

maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, cation, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay.

44. **Authority.** If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within thirty (30) days after request, deliver to the other Party satisfactory evidence of such authority.

45. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. **Multiple Parties.** If more than one person or entity is named herein as either Lessor or Lessee, such multiple Parties shall have joint and several responsibility to comply with the terms of this Lease.

49. **Mediation and Arbitration of Disputes.** An Addendum requiring the Mediation and/or the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☒ is ☐ is not attached to this Lease.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: SAN VALLEY, CALIFORNIA

on: 11/6/01

By LESSOR: NATHAN ADLER

NATHAN ADLER

By: NATHAN ADLER

Name Printed: NATHAN ADLER

Title: CEO, CALIFORNIA THE HIKER SERVICE

By: _____

Name Printed: _____

Title: _____

Address: _____

Telephone: (310) 504-1091

Facsimile: (310) 504-4912

Federal ID No. 95-4741751

Executed at: SAN VALLEY, CALIFORNIA

on: 11/6/01

By LESSEE: NATHAN ADLER

NATHAN ADLER

By: Nathan Adler

Name Printed: Nathan Adler

Title: President, The Attention Group

By: _____

Name Printed: _____

Title: _____

Address: _____

Telephone: (310) 504-1091

Facsimile: (310) 504-4912

Federal ID No. 95-4741751

NOTE: These forms are often modified to meet the changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form. AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION, 700 So. Flower Street, Suite 600, Los Angeles, California 90017. (213) 687-8777. Fax No. (213) 687-8616

ABW

Exhibit 3

LEASE

THIS LEASE, made and entered into as of the 1st day of May, 1962, by and between LOS ANGELES BY-PRODUCTS CO., a California corporation, hereinafter called Lessor, and SAM ADLEN and DOROTHY ADLEN, his wife, jointly and severally, hereinafter called Lessee:

W I T N E S S E T H:

That for and in consideration of the payment of rents, and the performance by Lessee of the covenants and agreements hereinafter contained on the part of Lessee to be kept and performed, and upon and subject to the terms and conditions hereinafter set forth, Lessor does by these presents lease and let unto Lessee, and Lessee hereby leases and hires from Lessor those certain premises situated in the City of Los Angeles, County of Los Angeles, State of California, more particularly described in Schedule "A" attached hereto and made a part hereof. Said property is sometimes hereinafter referred to as the demised premises.

1. TERM: The term of this lease shall be fifteen (15) years, commencing May 1, 1962 and ending April 30, 1977, unless sooner terminated as hereinafter provided.

2. OPTION TO EXTEND TERM: The term of this lease may be extended for an additional period of five (5) years from May 1, 1977, at the option of Lessee. In the event Lessee desires to exercise such option, Lessee shall give written notice

to that effect to Lessor not later than October 31, 1976, in which event the term of this lease shall end April 30, 1982, unless sooner terminated as hereinafter provided.

3. RENTAL: Lessee covenants and agrees to pay to Lessor as rental for the demised premises for the fifteen (15) year term of this lease the sum of TWO HUNDRED SIXTY THOUSAND DOLLARS (\$260,000.00) payable as follows:

(a) The sum of \$12,000.00 per year for the first five (5) years of said term, payable in equal monthly installments;

(b) The sum of \$18,000.00 per year for the second five (5) years of said term, payable in equal monthly installments; and

(c) The sum of \$22,000.00 per year for the third five (5) years of said term, payable in equal monthly installments.

In the event Lessee exercises the option hereunder for the extension of the term hereof, then said rental for the demised premises shall be the sum of ONE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$165,000.00) for said additional five (5) year period, or \$33,000.00 per year, payable in equal monthly installments.

All of the aforesaid rental shall be payable in lawful money of the United States, in advance, on or before the first day of each and every calendar month during the term hereof and any extension of the term hereof.

4. ADVANCE RENTAL: Concurrently with the execution of this lease, Lessee has paid to Lessor the sum of \$7,875.00 as advance rental for the fifteen (15) year term hereof, to be applied by the Lessor at the rate of \$1,000.00 per month for seven (7) months and \$875.00 to be applied upon the rental due for the eighth month of the term hereof.

In the event Lessee shall exercise the option herein given to extend the term of this lease for an additional five (5) years, Lessee shall pay to Lessor, together with the notice herein provided to be given in exercising said option, the sum of \$2,850.00 as advance rental for said additional five (5) years, to be applied by Lessor at the rate of \$2,750.00 for the first month of said five (5) year extension, and \$100.00 upon the second month's rental of said five (5) year extension.

5. CONDITION OF PREMISES: Lessee covenants and agrees that Lessee's taking possession under this lease of the herein demised premises shall be an acceptance of the safety and condition thereof, and that no representations not herein stated regarding the demised premises have been made by Lessor, or by any other persons in Lessor's behalf. Lessee is thoroughly familiar with the nature of the demised premises, and particularly that said premises have been filled with rubbish and other miscellaneous material mixed with earth. Lessor makes no warranty of any kind or nature, express or implied, with respect to the condition of the demised premises.

6. USE OF PREMISES: The Lessee may use the demised premises for any lawful purpose. Lessee will not use or allow said premises to be used for any illegal or immoral purposes. Lessee

will at all times observe and abide by all statutes, ordinances, rules and regulations of or promulgated by any lawful authority relating to or regulating the use or occupancy of said premises. Lessee will not do or suffer to be done anything upon the premises constituting or that will cause said premises to be a nuisance.

7. PUBLIC UTILITIES: Lessee shall pay during the term hereof, and any extension thereof, all charges for water, gas, heat, electricity, power and any and all other similar charges for public utilities which may accrue with respect to the demised premises by reason of the occupancy thereof by Lessee during such term and extension thereof.

8. TAXES, ASSESSMENTS, CHARGES: Lessee shall pay all taxes, assessments and other charges levied and assessed against the property covered by this lease and any and all improvements thereon, and against the trade fixtures and all personal property in, upon or about the demised premises. In the event any of the aforesaid shall be assessed against Lessor, Lessor may (but is not obligated to do so) pay the same, and the amount so paid shall be added to the rental due for the next succeeding month and shall be paid to Lessor by Lessee.

In the event Lessee desires to contest the validity or correctness of any such tax, assessment or other charges, Lessee may do so at its sole cost and expense, provided that Lessee shall first furnish Lessor with a good and sufficient bond indemnifying Lessor against any loss, liability or damage on account thereof.

Taxes for the first year and last year of the term hereof (and if the option to extend the term hereof has been exercised then taxes for the last year of said extension) shall be prorated.

9. IMPROVEMENTS, REPAIRS, ALTERATIONS & MAINTENANCE:

Lessor shall not be required to make any improvements to or upon the demised premises, or any part thereof, nor to maintain said premises, nor to make any repairs or alterations, or to maintain any improvements which might be made or placed upon the demised premises by Lessee. At all times during the term of this lease, and any extension or renewal thereof, Lessee shall, without any cost or expense to Lessor, keep and maintain the demised premises, and every part thereof in a clean, sanitary and orderly condition, taking into consideration the nature of Lessee's business conducted on the premises, and any and all improvements, streets, walks, curbs, pathways, walls, sewers, drains and other facilities which are now, or hereafter during the term of this lease or any extension thereof, constructed and installed on said premises, in good order and repair and in safe condition, and Lessee shall make any and all additions to or alterations or repairs in any structure or other facility erected or installed in, on or about the said premises which may be required by, and Lessee shall otherwise observe and comply with any public law, ordinances and regulation for the time being applicable to said premises, and Lessee hereby indemnifies and agrees to save Lessor harmless against all actions, claims and damages (including reasonable attorneys' fees) by reason of Lessee's failure to comply with and perform the provisions of this Article.

10. RIGHT OF REMOVAL AND CONDITION OF PREMISES UPON

TERMINATION: Lessee shall have the right, upon termination of this lease, whether by expiration of its term or extension or renewal thereof, or for any other reason, to remove the improvements placed upon the demised premises by Lessee (excluding, however, any improvement which by law, ordinance or regulation must remain upon or in said premises). If Lessee desires not to remove any such improvement, then with the written consent of Lessor thereto Lessee may allow such improvement to remain upon the premises. Upon such termination, Lessee shall return the demised premises to Lessor in as good, clean and orderly condition, and as free of any debris and in as level a condition (except for subsidence) as when receive

11. RESERVATION BY LESSOR: Lessor reserves the right to enter upon the premises for the purpose of inspecting the same during normal business hours.

12. INSURANCE: At all times during the term of this lease, Lessee shall obtain and thereafter maintain in full force and effect, at Lessee's own cost and expense, policies of insurance issued by a company or companies authorized to do business in the State of California which have been approved by Lessor, with Lessor and Lessee as the assured thereunder as their respective interests may appear, providing insurance as follows:

- (a) Public liability insurance payable in the sum of \$250,000.00 to any single person and in the aggregate sum of \$500,000.00 on account of any single accident against any and all risks and

- liability for death or injury to persons in any way growing out of or resulting from the use of the demised premises; and
- (b) Property damage insurance payable in the sum of \$100,000.00 against any and all risks and liability for loss of or damage to the property of third persons and property of Lessor, including the results of fire originating upon or communicated to the demised premises and thereafter communicated to the premises and property of third persons or Lessor, in any way growing out of or resulting from the use of the demised premises or from operations of Lessee upon the demised premises.

Copies of said insurance policies and renewals thereof shall be furnished by Lessee to Lessor, and Lessee shall also deliver to Lessor a receipt showing the premiums due on each of said policies or renewals thereof to have been paid in full; provided, however, that if the aforesaid coverages concerning public liability and property damage insurance are included in general coverage policies issued to Lessee and include other property or liability than in this lease set forth, Lessee shall have the right, without procuring separate public liability and property damage policies, to include said coverages in said general coverage policies, provided the same is done by endorsement which shall clearly show that Lessor is so

insured with reference to this lease, and which endorsement shall provide that neither the same nor the policy of which it is a part can be cancelled by the company issuing the same without thirty (30) days' prior written notice to Lessor.

13. LIENS AND CLAIMS: Lessee agrees to and hereby does indemnify Lessor and save Lessor harmless from all liens and claims of liens, and all other liability, claims and demands, arising out of any work done or material supplied to the demised premises at the instance of Lessee, or any sublessee, and from all actions, suits and cost of suit by any person to enforce any such lien, or claims of liens, liability, claims or demands, together with the cost of suit and attorneys' fees incurred by Lessor in connection with any thereof.

It is specifically understood and agreed that Lessor hereby reserves the right to enter upon said premises at any time to post any notice which shall, in Lessor's opinion, be necessary to hold Lessor and the premises harmless from any claim and/or liability arising out of any work done in or upon said premises.

In the event any such lien does attach or any claim of lien is made against the leased premises which may be occasioned by any act or omission on the part of Lessee, or any sublessee, and shall not be released or bonded within fifteen (15) days after notice from Lessor to Lessee so to do Lessor, in Lessor's sole discretion, may pay and discharge the same and relieve the demised premises from any such lien, and Lessee agrees to repay and reimburse Lessor, upon fifteen (15) days' written notice, for or on account

of any amount which may be paid by Lessor in discharging such lien or claim including, but not limiting the same to, the payment of any reasonable attorneys' fees, costs and charges in connection with any legal action which may have been brought (as determined by a court, if a court has jurisdiction), together with interest at the rate of six per cent (6%) per annum from the date of said written notice by Lessor to the date of repayment by Lessee; provided, however, that if Lessee desires to contest the validity or correctness of any such lien, Lessee may do so, provided that Lessee shall first furnish Lessor with a good and sufficient bond indemnifying Lessor against any loss, liability or damage on account thereof.

Before the commencement of any work of construction of any building, structure or other improvement on the demised premises, or of any substantial repairs, alterations, additions or replacements or restorations in and about said premises as in this lease provided, whether such work be done by Lessee or any of its sublessees, Lessee shall give, or cause to be given to Lessor, written notice thereof, specifying the nature and location of the intended work and the expected date of commencement thereof; and Lessee shall furnish to Lessor, or shall cause any of its sublessees hereunder to furnish to Lessor, a surety bond or other security, in such form and in such amount as shall be approved by Lessor, guaranteeing the completion of any such work free and clear of any and all liens, claims and demands.

14. LESSOR'S NONLIABILITY: Lessor shall not be liable for any loss, damage or injury of any kind or character to

any person or property arising from any use of the demised premises, or any part thereof, or caused by any defect in any building, structure or other improvement thereon or in any other facility therein, or caused by or arising out of any act or omission of Lessee or any of its agents, employees, sublessees, licensees or invitees, or by or from any accident on the demised premises or any fire or other casualty thereon, or occasioned by the failure of Lessee or any of its sublessees to maintain said premises or to cause the same to be maintained in safe condition, or by any nuisance made or suffered thereon, or arising from any other cause whatsoever; and Lessee, as a material part of the consideration of this lease, hereby waives on its behalf all claims and demands against Lessor for, and hereby indemnifies and agrees to hold Lessor entirely free and harmless from all liability for claims of other persons for, any such loss, damage or injury, together with all costs and expenses arising therefrom.

13. RIGHTS UPON DEFAULT: Each and all of the provisions of this lease are conditions precedent to be faithfully kept and performed by Lessee to entitle Lessee to continue in possession of the premises, and said conditions are also covenants on the part of Lessee. Time of performance of each is of the essence of this lease. Lessee covenants that if the rent reserved by this lease, or any part thereof, shall be unpaid when due, Lessor shall give written notice of such default to Lessee, and Lessee shall have ten (10) days after service of said notice to pay said rental, and if Lessee fails to do so Lessor shall have the right

to re-enter, recover and resume possession of the demised premises by force or otherwise, either with or without process of law, without being liable to prosecution therefor.

. If a petition in bankruptcy shall be filed by Lessee, and if said petition has not been dismissed within thirty (30) days after the filing thereof, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a trustee or receiver in bankruptcy or receiver of any property of Lessee shall be appointed in any suit or proceeding by or against Lessee, or if Lessee shall be dispossessed, or if the demised premises shall become vacant or abandoned, and if any such conditions exist for a period of thirty (30) days, then Lessor shall have the right to re-enter, recover and resume possession of the demised premises by force or otherwise, either with or without process of law, without being liable to prosecution therefor.

In the event Lessee shall default in keeping, observing or performing any of the other covenants, conditions, provisions or agreements herein required to be kept, observed or performed by Lessee, and Lessor shall give written notice of such default to Lessee, Lessee shall have thirty (30) days after service of said notice in which to cure, remedy and correct said default, or in which to commence performance of the thing or work required to be done to cure, remedy and correct said default, and Lessee shall diligently prosecute the same to completion, and should Lessee fail so to cure, remedy and correct said default or commence to do so within said thirty (30) day period, Lessor shall have the

right to re-enter, recover and resume possession of the demised premises by force or otherwise, either with or without process of law, without being liable to prosecution therefor.

Lessor shall not be deemed to have terminated this lease or the liability of Lessee to pay rent thereafter to accrue, or Lessee's liability for damages, by any such re-entry or by any action in unlawful detainer, or otherwise, unless Lessor notifies Lessee, in writing, that Lessor has elected to terminate this lease, and Lessee further covenants that the service by Lessor of any notice pursuant to the unlawful detainer statutes of the State of California, and the surrender of possession by Lessee pursuant to such notice, shall not (unless Lessor elects to the contrary at the time of, or at any time subsequent to, the service of such notice) be deemed to be a termination of this lease. In the event of any entry and taking possession of the demised premises under this lease, or by summary proceedings, or any other means, Lessor shall have the right, but not the obligation, to remove therefrom any person or persons, and all or any personal property located thereon not belonging to Lessor, and may place said personal property in storage at a public warehouse at the expense and risk of the owner or owners thereof. Any right or remedy herein given to Lessor shall not be exclusive of any other legal right of remedy which Lessor may have.

15. OPTION TO PURCHASE: Lessor hereby gives and grants to Lessee an option to purchase the demised premises and the property described in Schedule "B" attached hereto and made a part hereof for and during the first five (5) years of the term of this lease for the

total purchase price of \$550,000.00, upon the terms and conditions hereinafter set forth. If Lessee desires to exercise said option, Lessee shall give written notice to Lessor to that effect not later than December 31, 1966. Within thirty (30) days after said notice has been sent, Lessor and Lessee shall enter into Escrow Instructions at Title Insurance and Trust Company, Los Angeles, California, on the usual form Escrow Instructions of said Title Insurance and Trust Company to comply with the terms of this option as herein set forth. The escrow shall be a sixty (60) day escrow. Purchase price shall be \$550,000.00, payable \$100,000.00 cash at close of escrow, the balance evidenced by a promissory note signed by Lessee on the usual short form Note of said Title Insurance and Trust Company, payable ten (10) years from date of close of escrow in equal monthly installments by the first day of each and every month during the term of said Note, together with interest at six per cent (6%) per annum, payable monthly as aforesaid. Said Note is to be secured by a First Deed of Trust on the usual short form Deed of Trust of said Title Insurance and Trust Company. Title to said property shall be conveyed by Lessor and accepted by Lessee subject to all special and general real property taxes current at the time of close of escrow, and subject to all covenants, conditions, restrictions, reservations and easements of record. Lessor shall not voluntarily create any such covenants, conditions, restrictions, reservations or easements affecting subject property subsequent to May 1, 1962, except such as may be given for public utility purposes or to any Government or Governmental agency. Lessor shall provide Lessee with a standard policy of title insurance in an amount equal to the

total sales price, provided, however, that in the event Lessee desires an extended coverage policy, the excess of the cost thereof over a standard form of title policy shall be borne by Lessee. Escrow costs, recording fees and revenue stamps shall be divided according to the usual practice of escrows at Title Insurance and Trust Company. The Deed to be delivered in escrow by Lessor shall be the usual Corporation Grant Deed on the Title Insurance and Trust Company's form of such Deed. This option is given upon the condition that this lease be in full force and effect at the time Lessee exercises such option.

It is understood by Lessee that the property described in Schedule "B" is presently leased to Le Valley Ready Mix Co. In the event Lessee exercises this option to purchase, Lessor will assign the said lease regarding the property described in Schedule "B" and Lessor will deliver and Lessee will accept said property subject to such lease to terminate on March 30, 1964, or one (1) year from close of escrow, whichever is the longer. RL
do
10/10/64

17. FIRST RIGHT OF REFUSAL: If at any time between May 1, 1967 and December 31, 1976, Lessor desires to sell the leased premises, and/or the property described in Schedule "B", it shall not sell the same to any buyer other than Lessee, unless and until Lessor shall have given written notice to Lessee stating the price, terms and conditions of such proposed sale and giving Lessee ten (10) days from and after the date such notice is sent in which to enter into an escrow agreeing to purchase said property upon the same terms and conditions and for the same price as set forth in said notice. Such escrow shall be at the Title Insurance and Trust Company, Los Angeles, California. All the provisions set forth in Article 16 shall apply to RC
10/10/64
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said escrow, insofar as they are applicable and consistent with this Article 17, except that the said escrow shall contain the purchase price, terms of payment and any other conditions set forth in the notice sent by Lessor to Lessee.

18. SERVICE OF NOTICE: Any notice herein required or permitted to be given or furnished by one party to the other shall be in writing. Any notice may be personally served by one party to the other, or may be served by mailing the same in the United States mail, postage prepaid, addressed to the parties hereto at the following addresses:

Los Angeles By-Products Co.
1810 East 25th Street
Los Angeles 58, California

Sam Adlen and Dorothy Adlen
FX-6: Personal Privacy

and copy to
Smith and Wilson, Attorneys at Law
6943 Wilshire Blvd.
Beverly Hills, California

Delivery of such written notice shall be conclusively taken as sufficient if and when deposited in the United States mail, registered, with postage prepaid, addressed to either party, as the case may be, at the above address. Any party hereto may change the aforesaid address by giving written notice to the other parties.

19. CONDEMNATION: Should the demised premises or any part thereof be taken under condemnation proceedings, or be

acquired by any right of eminent domain, the entire award shall be made to Lessor, without deduction therefrom for any estate hereby vested in Lessee, and Lessee shall receive no part of any such award, except as hereinafter provided, and Lessee hereby assigns to Lessor Lessee's rights to any and all damages for such property so taken and all such damages shall be payable to Lessor; provided, however, that Lessee shall be entitled to seek to recover as against the condemnor, and Lessor shall have no claim therefor or thereto, for Lessee's trade fixtures and any structures and improvements erected and made by Lessee to or upon the demised premises which Lessee is entitled to remove upon the expiration of the term hereof or extension of the term hereof.

In the event the whole of the demised premises shall be so taken, the estate of Lessee shall cease and terminate upon, but not prior to, the date when Lessee shall be actually required to yield such possession and all liabilities of Lessee hereunder accruing subsequent to such date shall cease.

In the event only a part or portion of the demised premises shall be so taken, and if Lessee notifies Lessor, in writing, that it is impractical for Lessee to continue Lessee's operations on the remaining portion of the demised premises, and if Lessor so agrees with Lessee then, in that event, Lessee may, at Lessee's option, exercised in writing within thirty (30) days after such taking becomes effective, terminate this lease. If Lessor and Lessee do not agree as to whether it is practical for Lessee to continue Lessee's operations on the then remaining portion of the demised premises, each party shall immediately appoint an arbiter and said two arbiters shall appoint a third arbiter who shall decide said question, and the decision of the majority of said arbiters shall be final and binding upon Lessor and Lessee.

If Lessee shall elect not to terminate this lease, or if such taking does not make a continuance of Lessee's operations impractical, then the rent which Lessee shall pay after such taking shall be proportionately reduced on a square foot basis, and all of the other provisions of this lease shall thereafter continue in full force and effect.

In the event that any condemnation proceedings should be had to change the grade of or to widen a street or sidewalk, or for other purpose of similar nature, and the Lessee should be in any manner injured or damaged thereby or suffer any loss therefrom, Lessee hereby assigns to Lessor Lessee's rights to any and all compensation therefor, and Lessee's liability for rent shall not be diminished or affected, except as above provided.

20. ASSIGNMENT AND SUBLETTING: Lessee shall not assign or hypothecate this lease or the leasehold estate created thereby without the written consent of Lessor first had and obtained and endorsed on or incorporated in any such assignment. Any such assignment or transfer without the written consent of Lessor first had and obtained shall be null and void and shall confer no rights on any third party, and shall be cause for cancellation of this lease by Lessor, at Lessor's option, and this provision against assignment and hypothecation shall be deemed to be a continuing condition, and apply not only to the Lessee herein but to any and all assignees of said leasehold premises or estate, and to anyone who may, in any manner, acquire any interest therein. Should Lessor consent to such assignment or transfer, Lessee shall not be relieved thereby of

any of the liabilities and obligations of Lessee hereunder.

Any such assignment shall be in writing, and any assignee shall, in writing, expressly assume and agree to perform all of the terms, covenants and conditions hereof on the part of Lessee to be performed, and the taking of possession by any such assignee shall be deemed to constitute the assumption by said assignee of the terms, covenants and conditions hereof on the part of Lessee to be performed, and the agreement of such assignee so to assume and perform the same.

Lessee may sublet the demised premises or any part thereof.

21. WAIVER: No waiver of a breach of any of the terms, covenants and conditions hereof shall be binding upon the Lessor, unless such waiver is evidenced by an instrument in writing, properly executed by Lessor, and no such waiver shall be deemed or construed to be a waiver of the breach of any other provision or provisions hereof, or of any subsequent or continuing breach of the same or any other provisions hereof.

22. HOLDING OVER: If Lessee shall hold over the demised premises after the expiration of the term hereof, with the consent of Lessor, either expressed or implied, such holding over shall be construed only to be a tenancy from month to month, upon and subject to all of the covenants, conditions and obligations herein contained on the part of Lessee to be kept and performed; provided, however, that nothing herein contained shall be construed to give Lessee any right to hold over and continue in possession of said premises after the expiration of the term hereof.

23. ATTORNEYS' FEES: Should either party prevail in any suit or action brought against the other under this lease, the prevailing party shall be entitled to its attorneys' fees in such suit or action in any amount as the Court therein may adjudge reasonable, and for the costs and expenses of such suit or action.

24. Where the term "Lessor" or "Lessee" is used herein, the same shall apply to the plural, if necessary, and all terms used in the singular or in the masculine gender shall apply to the plural or to the feminine or neuter genders as the context requires.

25. This lease shall bind and inure to the benefit of the parties hereto, the successors in interest of Lessor, permitted assigns and the successors in interest of Lessee and sublessees of Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LOS ANGELES BY-PRODUCTS CO.

(Corporate seal)

By: *W. C. Sexton*
President

By: *Robert C. Samsbury*
Vice-President

[Signature]
LESSOR

SAM ADLEN

[Signature]
DOROTHY ADLEN

LESSOR
Jointly and Severally

STATE OF CALIFORNIA)
) ss.
County of Los Angeles)

On this 18th day of May, 1962, before me,
the undersigned, a Notary Public in and for said county and
State, personally appeared C. C. Sexton
and Robert C. Salisbury, and acknowledged to me that
they are the President and Vice-President, respectively, of
LOS ANGELES BY-PRODUCTS CO., and acknowledged to me that they
are the persons whose names are subscribed to the within
Instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in this certificate
first above written.

William B. Scott
Notary Public in and for said
County and State. My Commission Expires March 15, 1965.

STATE OF CALIFORNIA)
) ss.
County of Los Angeles)

On this 2 day of June, 1962, before me,
the undersigned, a Notary Public in and for said County and
State, personally appeared SAM ADLEN and DOROTHY ADLEN, known
to me to be the persons whose names are subscribed to the
within Instrument, and acknowledged to me that they executed
the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate first
above written.

William B. Scott
Notary Public in and for said
County and State.

My Commission Expires March 15, 1965.

LAW OFFICES OF
SMITH & WILSON
8943 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA
BRADSHAW 2-8489

Page Two.

CH 001360

PARCEL 1: Lots 1, 2, 3, 4 and those portions of lots 3, 4 and 7 which lie westerly and southwesterly of the westerly and southwesterly lines of Tujunga Avenue, as described in a decree of condemnation entered in Los Angeles Superior Court Case No. 253552, a certified copy of said decree being recorded in book 13728 page 351, Official Records, all in block 24 of Los Angeles Land and Water Company's Subdivision of a part of the MacLay Ranch, in the City of Los Angeles, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county.

EXCEPT those portions of said lots 6 and 7 lying within the following described boundaries: Beginning at the most easterly corner of said lot 7; thence South $48^{\circ} 38'$ West along the southeasterly line of said block 24, to a point distant southwesterly along said southeasterly line 460 feet from the southeasterly prolongation of the southwesterly line of lot 104 of tract 8328, as per map recorded in book 73 page 23 of Maps, records of said county; thence North $41^{\circ} 22'$ West parallel with the southwesterly line of said block 24, 160 feet; thence North $48^{\circ} 58'$ East parallel with the southeasterly line of said block, to the southeasterly line of said lot 7; thence South $41^{\circ} 22'$ East thereon 130 feet to the point of beginning.

PARCEL 2: That portion of lot 9 in block 24 of Los Angeles Land and Water Company Subdivisions of a part of the MacLay Ranch, in the City of Los Angeles, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, lying westerly of Tujunga Avenue, as condemned by final decree entered in Case No. 246842, Superior Court of said County; a certified copy of said decree being recorded in book 13868 page 123 Official Records.

SCHEDULE "A"

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BEVERLY HILLS, CALIFORNIA
BRADSHAW 2-5489

CH 001361

PARCEL 3: That portion of lot 7 in block 24 of the Los Angeles Land & Water Company's subdivision of a part of the MacLay Rancho, in the City of Los Angeles, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county described as follows: Beginning at a point in the southeasterly line of said lot distant South 48° 38' West thereon 330 feet from the southeasterly prolongation of the southwesterly line of lot 104 of Tract 8338, recorded in book 73 page 24 of Maps, thence North 41° 22' West parallel with the southwesterly line of said block, 130 feet; thence North 48° 38' East parallel with said southeasterly line of said lot to the southwesterly line of Tujunga Avenue as described in final decree of condemnation entered in Case No. 255852 Superior Court, a certified copy thereof being recorded in book 10124 page 237, Official Records; thence southeasterly along said southwesterly line to the southeasterly line of said lot 7; thence South 48° 38' West along said southeasterly line to the point of beginning.

PARCEL 4:

Parcel A. That portion of lot 6 in block 24 of the Los Angeles Land and Water Co.'s subdivision of a part of the MacLay Rancho, in the City of Los Angeles, county of Los Angeles, State of California, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, described as follows: Beginning at the point in the southeasterly line of said lot 6 that is distant South 48° 38' West along the southeasterly line of said block 24, 410 feet from the southeasterly prolongation of the southwesterly line of lot 104 of Tract No. 8338, recorded in book 73 page 24 of Maps; thence from said point of beginning south 48° 38' West along the said southeasterly line of said block, 30 feet; thence North 11° 22' West, parallel with the southwesterly line of said block, 180 feet; thence North 48° 38' East parallel with said southeasterly

line of said lot, 30 feet; thence South $41^{\circ} 22'$ East parallel with said southwesterly line of said block; 130 feet to the point of beginning.

Parcel B. Those portions of lots 7 and 8 in block 24, of the Los Angeles Land and Water Co.'s Subdivision of a part of the MacLay Rancho, in the city of Los Angeles, county of Los Angeles, State of California, as per map recorded in book 3 pages 17 and 18 of Maps, in the office of the county recorder of said county, described as follows: Beginning at a point in the southeasterly line of said lot 7 that is distant South $48^{\circ} 38'$ West along the southeasterly line of said block 24, 330 feet from the southeasterly prolongation of the southwesterly line of lot 104/Tract No. 6338, as per map recorded in book 73 page 24 of Maps; thence from said point of beginning South $48^{\circ} 33'$ West along the said southeasterly line of said block, 80 feet; thence North $41^{\circ} 22'$ West, parallel with the southwesterly line of said block, 130 feet; thence North $48^{\circ} 38'$ East, parallel with said southeasterly line of said block 80 feet; thence South $41^{\circ} 22'$ East parallel with said southwesterly line of said block, 130 feet to the point of beginning.

Excepting from all of the above, the following:

1. Those portions of Lots 1, 2, 3, 4 and 9 in Block 24 of Los Angeles Land and Water Co.'s Subdivision of a part of MacLay Rancho; as per map recorded in Book 3, pages 17 and 18 of Maps, in the office of the County Recorder of said County, described as a whole as follows: Beginning at the most westerly corner of said Lot 1; thence along the southwesterly line of said lot, S. $41^{\circ} 18' 40''$ E., 42.77 feet; thence N. $63^{\circ} 30' 25''$ E., 390.55 feet; thence N. $59^{\circ} 34' 17''$ E., 113.75 feet; thence N. $72^{\circ} 45' 39''$ E., 297.54 feet; thence E. $86^{\circ} 51' 57''$ E., 259.88 feet to the westerly line of Tujunga Avenue, as described in a decree of condemnation entered in Los Angeles Superior Court

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3.

Case No. 259652 a certified copy of said decree being recorded in Book 13726, page 351 of Official Records in said office; thence along said westerly line of Tujunga Avenue N. $7^{\circ} 35' 41''$ W., 368.95 feet to the easterly terminus of that certain curve described in Parcel 12 of said decree of condemnation as being concave Southerly, having a radius of 20 feet and an arc length of 43.16 feet; thence along said certain curve Northwesterly and Westerly to a point in a line parallel with and distant 20 feet Southeasterly, measured at right angles, from the southeasterly line of Flater Ave. (now Tuxford Street) as shown on said map; thence along said parallel line Southwesterly, and tangent to said last mentioned curve at its point of ending, to the southwesterly line of said lot 9; thence along said southwesterly line of Lot 9 Northwesterly 20 feet to the most westerly corner of said Lot 9; thence along the northwesterly line common to said Lots 4, 3, 2 and 1, Southwesterly, to the point of beginning.

2. That portion of Lot 1, Block 24 of Los Angeles Land and Water Company's Subdivision of a part of MacLay Rancho in the City of Los Angeles, as per map recorded in Book 3, pages 17 and 18, in the office of the County Recorder of Los Angeles County.

Point of beginning being the intersection of the southerly line of the Golden State Freeway and the northeasterly line of Telfair Avenue; thence along said southerly line of Golden State Freeway bearing N. $53^{\circ} 24' 13''$ E. a distance of 225.99 feet; thence southeasterly bearing S. $41^{\circ} 23' 20''$ E. 87.66 feet; thence southeasterly bearing S. $45^{\circ} 38' 00''$ W. 100.00 feet; thence southeasterly bearing S. $41^{\circ} 23' 20''$ E. 72.89 feet; thence southwesterly bearing S. $45^{\circ} 38' 00''$ W. 185.0 feet to the northeasterly line of Telfair Avenue; thence along said northeasterly line bearing N. $41^{\circ} 23' 20''$ W., a distance of 187.23 feet to the point of beginning.

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4.

That portion of Lot 1, Block 24 of Los Angeles
Land and Water Company's Subdivision of a part of MacLay Rancho
in the City of Los Angeles, as per map recorded in Book 3, Pages 17
and 18, in the office of the County Recorder of Los Angeles County,
State of California.

Point of beginning being the intersection
of the southerly line of the Golden State Freeway and the north-
easterly line of Telfair Avenue; thence along said southerly
line of Golden State Freeway bearing N. $53^{\circ} 24' 13''$ E. a distance
of 285.99 feet; thence southeasterly bearing S. $41^{\circ} 23' 20''$ E.,
87.66 feet; thence southeasterly bearing S. $48^{\circ} 38' 00''$ N.
100.0 feet; thence southeasterly bearing S. $41^{\circ} 23' 20''$ E.
72.89 feet; thence southwesterly bearing S. $48^{\circ} 38' 00''$ W.
185.0 feet to the northeasterly line of Telfair Avenue; thence
along said northeasterly line bearing N. $41^{\circ} 23' 20''$ W. a distance
of 187.23 feet to point of beginning.

Schedule "E"

CH 001365

Exhibit 4

LOS ANGELES BY-PRODUCTS CO.

CABLE "BYPRO" BENTLEY
1810 EAST 25TH STREET
Los Angeles 36, California
ADAMS 34175

Mr. and Mrs. Sam Adlen

FX-6: Personal Privacy

Dear Mr. and Mrs. Adlen:

We are writing you this letter with reference to the Lease between us dated as of May 1, 1962, in order to set forth our oral understanding with respect to the same.

We agree that the said Lease shall be and is hereby amended in the following respects:

1. A part of the demised premises covered by said Lease and situated on Penrose, west of Tujunga, is presently under a month-to-month lease to one of our employees. We are forthwith giving a thirty-day notice to such person to quit. In the event he does not quit the premises, pursuant to said notice, we will use our best efforts to do whatever is necessary and proper in order to remove said tenant from such property. In the meantime, the rental paid by him shall belong to you. You agree to take said Lease between us subject to the same.
2. A part of the demised premises covered by said Lease and situated at the corner of Telfair and Penrose is presently under a lease which we generally call the "Hooker Lease", which lease may be terminated upon six months' notice. We are attempting to have the tenant thereof remove himself in one month. In the event he does not do so, we agree forthwith to give him six months' notice of termination of such lease. So long as he remains a tenant upon such property, you shall be entitled to the \$300.00 per month rental which he pays, and in the event he does not remove himself, pursuant to said six months' notice, we will use our best efforts to do whatever is necessary and proper in order to remove said tenant from such property. You agree to take said Lease between us subject to the same.
3. Upon the termination of the tenancy of La Valley Ready Mix Co. from the property described in the Lease between

Mr. and Mrs. Sam Adlan
Page Two

us in Schedule "B", and in the event you have not exercised your option to purchase the property, pursuant to the terms of our Lease, we agree that we will not lease said premises to any lessee other than you, unless and until we have given written notice to you stating the rental, terms and conditions of such proposed lease, and giving you ten (10) days from and after the date of such notice being sent in which to enter into a lease of said property, upon the same terms and conditions, and for the same rental, as set forth in said notice. We further agree that we will not lease such property to any one in the automotive business. The provisions of this paragraph shall apply only upon the condition that such lease between us is in full force and effect and you are not in default thereof.

4. We agree that in the event you desire to record a memorandum of either this Lease or the option contained therein, or both, we will sign and acknowledge such memorandum thereof as you may prepare and present to us to accomplish this purpose.

If the above properly sets forth our agreement, would you please so signify.

Dated as of the 1st day of May, 1962.

(Corporate Seal)

LOS ANGELES BY-PRODUCTS CO.

By: *[Signature]*

President

By: *Robert C. Salichon*

Vice-President

SO UNDERSTOOD AND AGREED

[Signature]
Sam Adlan

[Signature]
Dorothy Adlan

Dated as of May 1, 1962.

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made and entered into, in duplicate, at Los Angeles, California, this 2 day of 1954, by and between LOS ANGELES BY-PRODUCTS CO., a California corporation, hereinafter referred to as the Lessor and LE VALLEY READY MIX CO., a California corporation, hereinafter referred to as "Lessee",

W I T N E S S E T H I

That for and in consideration of the payment of the rents, and the performance by the Lessee of the covenants and agreements hereinafter contained on the part of the Lessee to be kept and performed, and upon and subject to the terms and conditions hereinafter set forth, the Lessor does by these presents lease and let unto the Lessee, and the Lessee hereby does lease and hire from the Lessor those certain premises shown outlined in red on the map attached hereto and made a part hereof, situated in the County of Los Angeles, State of California, more particularly described as follows, to-wit:

A rectangular parcel of land with a frontage of 185 feet on Tuxford and a depth of 210 feet, said parcel being located at the northwesterly corner of and being a portion of Lot 1, Block 24 of Los Angeles Land & Water Company's Subdivision of a part of the MacLay Rancho, in the City of Los Angeles, as per map recorded in Book 3, Pages 17 and 18 of Maps in the Office of the County Recorder of Los Angeles County.

1. TERM:

The term of this lease shall be five (5) years and three (3) months, commencing on the first day of January, 1954 and ending on the 30th day of March, 1959, unless sooner terminated as herein-after provided.

2. RENTAL:

Lessee shall pay to Lessor as rent for the demised premises

the sum of Twenty-seven Thousand, Nine Hundred Dollars (\$27,900.00) payable Four Hundred Sixty-five Dollars (\$465.00) per month for said and every month of the term hereof commencing April 1, 1954. Said rental shall be payable in lawful money of the United States and shall be paid monthly on or before the 10th day of each and every month during said term except the first three (3) months thereof.

3. CONSIDERATION:

As a part of the consideration for the execution of this lease, Lessee has paid to Lessor concurrently with the execution of this lease the sum of Nine Hundred Thirty Dollars (\$930.00), receipt of which is hereby acknowledged by Lessor. If this lease be still in effect and if Lessee be in the possession of the demised premises and not in default hereunder on January 31, 1959, then Lessor agrees that Lessee will not be required to pay rent for the balance of the term of this lease. If this lease be terminated prior to the expiration of the full term thereof for a reason other than the default of Lessee, then upon surrender by Lessee of the demised premises in the manner and in the condition as provided in paragraph 15 of this lease, Lessor will pay to Lessee in case of such termination and surrender prior to January 31, 1959, the sum of Nine Hundred Thirty Dollars (\$930.00), or in case of such termination and surrender on or subsequent to January 31, 1959 an amount equivalent to the rental hereunder for the unexpired portion of the term hereof at the date of such termination and surrender calculated at a daily rate based on the regular monthly rate.

4. PUBLIC UTILITIES:

Lessee shall pay before delinquency all charges for water, gas, heat, electricity, power and any and all other similar charges for public utilities which may accrue with respect to the demised premises by reason of the occupancy thereof by Lessee.

5. USE OF DEMISED PREMISES:

Lessee is engaged in the general construction business and

in the sale of construction materials, and shall use the demised premises in connection with the operation of a ready-mix concrete plant and for no other purpose without the consent of Lessor first had and obtained. Lessee shall not use the demised premises nor permit the same to be used for any unlawful purposes and shall at all times maintain the same in a sanitary and orderly condition and conform to all laws and ordinances and regulations of any governmental body appertaining.

It is recognized that in Lessee's conduct of its operations, the trucking equipment for the transportation of ready-mix concrete must be thoroughly cleaned by washing. Lessee is hereby given permission to drain said wash waters into the pit excavation at the southeast corner of the demised premises; provided, however, that the amount of said wash water and the time when it is drained into the excavation will in no way interfere with Lessor's operations in the excavated areas adjacent to the demised premises; and provided Lessee shall first secure approval of proper governmental authorities to so drain such wash water into the pit. This usage of the excavated area by Lessee is definitely limited to wash waters and shall not be deemed to include the dumping of any other materials even though such materials be over production of concrete or similar materials or the dumping of these materials as the result of their being returned to Lessee's plant from some attempted delivery or for any similar reason.

6. LIENS:

(a) Except as herein otherwise expressly provided, all work done on the demised premises at any time by the Lessee shall be at the Lessee's sole cost and expense, and Lessee shall pay for all materials, supplies, equipment, tools, appliances, teams, power, services, work, labor and skill used, employed and/or consumed, in whole or in part, in the erection, construction, demolition, alteration, addition to and/or repair of any buildings,

structures, or other improvements, or in any grading, excavating, filling in, or landscaping of the demised premises, and shall protect, save and hold the Lessor, the demised premises, and all such improvements made or to be made thereon, free and clear of all claims, asserted claims, liens, claims of demands, charges, encumbrances and/or litigation arising, directly or indirectly, out of or by reason of any construction work or activity of the Lessee on the demised premises, and shall forthwith and within ten (10) days after the filing of any lien for record, fully pay and satisfy the same, and shall reimburse the Lessor for all such loss, damage and expense, including a reasonable attorney's fee, which it may suffer or be put to by reason of any such claims, asserted claims, liens, claims of lien, charges, demands, encumbrances and/or litigation; provided, however, that in case any claim of lien is made against the demised premises or the improvements thereon, which the Lessee believes in good faith is not a valid claim and desires to contest, it shall have the right to do so only after it shall first and within said ten (10) day period furnish to the Lessor an undertaking in the amount of said claim, plus ten per cent (10%), to be approved by Lessor as to form and in a company satisfactory to it, conditioned for the payment of any judgment that may be obtained by said claimant when the same becomes final and/or before execution thereon, and to fully reimburse Lessor for all loss, damage and expense, including a reasonable attorney's fee, it may suffer thereby.

Should Lessee fail to pay off and fully discharge any such lien or liens, as aforesaid, or should proceedings be instituted for the foreclosure of any such lien, subject always to the right of the Lessee to contest the same as hereinabove provided, Lessor shall have the right, at its option, at any time after the expiration of said ten (10) day period, to pay the same or any portion thereof, with or without the costs and expenses claimed by such claimant, and in making such payment Lessor shall be the sole judge

of the legality thereof. All amounts paid out by the Lessor as herein provided, in the discharge of any such claim, lien or judgment, and/or to effect any redemption of the demised premises, or any part thereof, from any foreclosure proceeding and/or for attorney's fees, costs and expenses which may have accrued, grown out of, or been incurred by reason or on account of the same, shall be repaid by the Lessee to the Lessor forthwith upon demand therefor, together with interest thereon at the rate of seven per cent (7%) per annum from the time of payment by Lessor until repaid by Lessee.

The payment by Lessor of any such claim, lien or judgment in the manner above described, and/or redemption by the Lessor, shall be deemed conclusive evidence of the validity of such claim, lien, judgment, or sale as between the parties hereto.

(b) Notices of Non-Responsibility. The Lessor shall have, and hereby expressly reserves, the right to enter upon the demised premises at any time and from time to time before and during the time any work of construction, alteration or repair is being done or performed on the demised premises, and to post and maintain thereon, in conspicuous places, notices of such character and size as it may determine, and to keep such notices so posted and maintained during the period or periods of such or any construction, alteration, remodeling or repair work, to the effect that the Lessor will not be responsible for any materials supplied or labor performed or work done in any such construction, repair, alteration or remodeling thereon, and the Lessor may and it hereby reserves the right to do or perform any other act that might be required by law or permitted by Section 1192 of the Code of Civil Procedure of the State of California to exempt the Lessor and the demised premises from any and all liability by reason of any such work.

Lessee shall use due care and diligence to prevent the destruction and defacement of any such notice or notices which

may be posted or placed on said premises or any improvements thereon by the Lessor.

7. REPAIRS, ALTERATIONS AND IMPROVEMENTS:

Lessor shall not be required to make any repairs, alterations or improvements to or upon the demised premises or any part thereof.

(a) Improvements. Lessee will, at its expense, fence the demised land with a substantial fence, and will prevent any and all trucks and motor vehicles from entering onto Lessor's adjoining land from the demised land. Lessee may construct or make such improvements on said demised premises as it may reasonably require to conduct its business thereon; provided, however, that all such improvements shall be constructed or made at the sole cost and expense of the Lessee. Lessee shall remove any and all buildings or improvements heretofore or hereafter constructed, made or installed upon the demised premises by the Lessee, and such removal shall be made not later than the termination date of this lease. The removal of all improvements shall be made without any damage to the demised premises or cost or expense to the Lessor. With the written consent of Lessor first had and obtained, Lessee may leave upon the demised premises such improvements as are acceptable to Lessor.

8. CONDITION OF PREMISES: It is understood that Lessee has heretofore inspected the demised premises and is aware that the demised land is adjacent to a sand pit excavation and Lessee covenants that its taking possession under this lease of the herein demised premises shall be an acceptance of the safety and conditions thereof; that no representations not herein stated regarding the leased premises have been made by Lessor or by any other person in Lessor's behalf. Lessor shall not be liable for any damage caused by any use or misuse of the premises or by the act or neglect of any person or for any loss, damage or injury to the property or persons of Lessee or of the employees, visitors, agents, guests or representatives of Lessee.

9. TAXES AND ASSESSMENTS:

Lessor shall pay all taxes, assessments and charges levied or assessed upon the demised land.

Lessee shall pay all taxes, assessments and charges levied or assessed upon all property erected or constructed or placed upon the demised premises by the Lessee and upon all property upon which the Lessee has any taxable interest, and will hold the Lessor and said demised premises free from any claims, liens, charges or demands arising therefrom. If such taxes shall be a lien upon the real property constituting the demised land or adjoining land of Lessor, the Lessee shall pay all such taxes as are a lien upon said land or lands to the Lessor at least twenty (20) days prior to the date when the same become delinquent, and all sums so paid by the Lessee to the Lessor shall be used for the purpose of discharging such taxes. In the event the Lessee fails, neglects or refuses to so pay any such taxes, assessments or charges, then the Lessor may in each and every case pay the same, either prior to or after delinquency, and the Lessee promises and agrees to repay the Lessor any and all amounts so paid, together with all interest and penalties thereon, upon demand.

10. INDEMNITY:

Lessee shall keep and save Lessor forever harmless from and indemnify it against all claims and demands of every kind and nature, and all damage, loss, cost and expense, including a reasonable attorney's fee, and any other liability whatsoever arising out of or occasioned by any act, default, negligence or omission of the Lessee, or any person on or about the demised premises with Lessee's consent or permission, either express or implied, and/or arising out of or occasioned by any accident or other occurrence causing actual or asserted loss, damage or injury to any person, firm or corporation, or to any property, whomever or whatsoever, and/or arising out of or occasioned by the failure of the Lessee in any respect to comply with the requirements and provisions of this lease and/or due, directly or indirectly, to the use or disuse of the demised premises

or the improvements thereon, or any part thereof, by the Lessee or any person on said premises with its consent or permission, either express or implied.

At all times during the term of this lease Lessee shall obtain and thereafter maintain in full force and effect, at Lessee's own cost and expense, policies of insurance issued by company or companies authorized to do business in the State of California and which are commonly known as "Board" companies with Lessor and Lessee as the assured thereunder as their respective interests may appear providing insurance as follows:

(a) Public liability insurance payable in the sum of One Hundred Thousand Dollars (\$100,000.00) to any single person and in the aggregate sum of Three Hundred Thousand Dollars (\$300,000.00) on account of any single accident against any and all risks and liability for death of or injury to persons in any way growing out of or resulting from the use of the demised premises or any other property of Lessor in the vicinity thereof; and

(b) Property damage insurance payable in the sum of One Hundred Thousand Dollars (\$100,000.00) against any and all risks and liability for loss of or damage to the property of third persons, including the results of fire originating upon or communicated to the demised premises and thereafter communicated to the premises and property of third persons in any way growing out of or resulting from the use of the demised premises or from operations of Lessee upon the demised premises or any other property of Lessor in the vicinity thereof.

Copies of said insurance policies and renewals thereof shall be furnished by Lessee to Lessor, and Lessee shall also deliver to Lessor a receipt showing the premiums due on each of said policies or renewals thereof to have been paid in full; provided, however, that if the aforesaid coverages concerning public liability and property damage insurance are included in general coverage policies issued to Lessee and include other property or liability than in

this lease set forth, Lessee shall have the right, without procuring separate public liability and property damage policies, to include said coverages in said general coverage policies provided the same is done by endorsement which shall clearly show that Lessor is so insured with reference to this lease and which endorsement shall provide that neither the same nor the policy of which it is a part can be cancelled by the company issuing the same without thirty (30) days' prior written notice to Lessor.

11. RIGHTS UPON DEFAULT:

Time and each of the terms, covenants and conditions of this lease are expressly made of the essence of this agreement, and in the event the Lessee shall fail to pay the rent as hereinabove set forth, or any portion thereof, when due, or shall voluntarily or involuntarily violate or be in default in the performance of any of the terms, covenants and/or conditions hereof to be kept and performed by the Lessee, the Lessor shall have the right to re-enter, recover and resume possession of the demised premises by force, or otherwise, either with or without process of law, without being liable to prosecution therefor.

Lessor shall not be deemed to have terminated this lease or the liability of Lessee to pay the rent thereafter to accrue, or its liability for damages, by any such re-entry or by any action in unlawful detainer, or otherwise, unless Lessor notifies Lessee in writing that it has elected to terminate this lease, and Lessee further covenants that the service by Lessor of any notice pursuant to the unlawful detainer statutes of the State of California, and the surrender of possession by Lessee pursuant to such notice, shall not (unless Lessor elects to the contrary at the time of, or at any time subsequent to, the service of such notice) be deemed to be a termination of this lease. In the event of any entry and taking possession of the demised premises under this lease, or by summary proceedings or any other means, Lessor shall have the right but not the obligation to remove therefrom any person or persons, and all or any personal

property located thereon not belonging to Lessor, and may place said personal property in storage at a public warehouse at the expense and risk of the owner or owners thereof. Any right or remedy herein given to Lessor shall not be exclusive of any other legal right or remedy which Lessor may have.

12. ASSIGNMENT:

Lessee shall not assign, transfer or hypothecate this lease, or any interest or estate created thereby, or any part thereof, shall not let, underlet or sublet the demised premises, or any part thereof, without the written consent of the Lessor having first been obtained in each and every case.

It is expressly made a condition and covenant of this lease that in the event any person other than the Lessee herein shall secure possession of the interest or estate of the Lessee hereunder, or any of them, or any part or portion thereof, under any writ of attachment or execution, or by reason of any receivership or proceeding in bankruptcy, or in any other manner by process of law, or otherwise, and shall continue in possession thereof for a period of ten (10) days, then this lease and all of the right, title, interest and estate of the Lessee hereunder shall, at the option of the Lessor, forthwith cease and terminate, and the Lessor may, at its option, then, or at any time thereafter, without demand or notice of any kind whatsoever, re-enter and take possession of the demised premises and remove all persons therefrom with or without process of law.

The restrictions, covenants and agreements herein contained as to the subletting, hypothecation, assignment and transfer of possession, whether voluntary or by operation of law, are continuing restrictions, conditions and covenants, and shall not be waived or exhausted by any consent or waiver of the Lessor in any one or several instances, and shall apply to all assignees, sublessees and successors of the Lessee, as well as to the Lessee itself.

13. SERVICE OF NOTICE:

Any notice herein required or permitted to be given or

furnished by one party to the other shall be in writing. Any notice may be personally served by one party upon the other, or may be served by mailing the same in the United States mails, postage prepaid, addressed to the parties hereto at the following addresses:

Le Valley Ready Mix Co.
Box 306
Sun Valley, California

Los Angeles Ry-Products Co.
1310 East 25th Street
Los Angeles 58, California

Delivery of such written notice shall be conclusively taken as sufficient if and when deposited in the United States mails, registered, with postage prepaid, addressed to either party, as the case may be, at the above address. Any party hereto may change the aforesaid address by giving written notice to the other party.

14. CONDEMNATION:

In the event that the demised premises, or any part thereof, are taken in condemnation proceedings or by any right of eminent domain, the entire award shall be made to Lessor without deduction therefrom for any estate hereby vested in Lessee, and Lessee shall receive no part of any such award. Lessee hereby expressly assigns to Lessor any and all such awards, together with any and all rights of the Lessee now or hereafter arising, in and to the same or any part thereof. It is understood and agreed that if any building or any part thereof then owned by Lessee and situated upon the demised premises be taken in condemnation proceedings, the entire award therefor shall be made to lessee.

In the event the whole of the demised premises shall be so taken, then this lease shall thereupon terminate.

15. SURRENDER OF PREMISES:

Lessee shall not commit or permit any waste or any injury or damage to the demised premises or any part thereof, and shall keep and maintain and, upon the termination of this lease from lapse of time or any sooner termination thereof, regardless of the time, name

or cause of such termination, shall quit, surrender, deliver up, and return possession of the demised premises in good condition and to the satisfaction of Lessor, and shall execute and deliver to the Lessor a good and sufficient quitclaim deed to the demised premises.

16. ARBITRATION:

In the event of a dispute between the parties hereto with respect to any of the terms, provisions, covenants, agreements or obligations hereunder, the parties agree that such dispute be settled by arbitration as follows: Each party shall appoint an arbiter and give written notice thereof to the other party. Should either party within ten (10) days after receiving such notice from the other party fail (1) to appoint an arbiter and (2) to give written notice thereof to the other party who has appointed its arbiter, then upon application of either party the Presiding Judge of the Superior Court of the State of California, in and for the County of Los Angeles shall appoint an arbiter for the other party. Such application may not be made until the party making the same shall have given ten (10) days' written notice to the other party of its intention so to do. The arbiter so appointed shall have the same power and authority as if he had been appointed by such party who failed to appoint an arbiter.

Within thirty (30) days after the appointment of the second arbiter, the arbiters shall render a written decision signed by both of them in which decision they shall concur. If said arbiters cannot agree within said time, then within twenty (20) days thereafter said arbiters shall appoint a third, and upon failure so to do in said time, then, upon application of either party, the Presiding Judge of the Superior Court of the State of California, in and for the County of Los Angeles shall appoint such third arbiter.

Within thirty (30) days after the appointment of such third arbiter, the arbiters shall render a written decision agreed to and signed by not less than two (2) of such arbiters. Such decision shall be final. Costs of arbitration and reasonable attorneys' fees shall be borne by Lessor and Lessee in such proportions as determined by

the arbiters.

17. WAIVER:

No waiver of a breach of any of the terms, covenants or conditions hereof shall be binding upon the Lessor unless such waiver is evidenced by an instrument in writing, properly executed by the Lessor, and no such waiver shall be deemed or construed to be a waiver of the breach of any other provision or provisions hereof, or of any subsequent or continuing breach of the same or any other provisions hereof.

18. HOLDING OVER:

If the Lessee shall hold over the demised premises after the expiration of the term hereof, with the consent of the Lessor, either express or implied, such holding over shall be construed only to be a tenancy from month to month, upon and subject to all of the covenants, conditions and obligations herein contained on the part of the Lessee to be kept and performed; provided, however, that nothing herein contained shall be construed to give Lessee any right to hold over and continue in possession of said premises after the expiration of the term hereof.

19. ATTORNEYS' FEES:

Except as herein otherwise provided, should the Lessor prevail in any suit or action brought against Lessee under this lease, the Lessee shall be liable to the Lessor for Lessor's attorneys' fees in such suit or action in any amount as the court therein may adjudge reasonable, and for the costs and expenses of such suit or action.

20. THIS LEASE and each and all of the terms, covenants, conditions and provisions hereof shall inure to the benefit of and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this

That portion of Lot 1, Block 24 of Los Angeles Land and Water Company's Subdivision of a part of MacLay Rancho in the City of Los Angeles, as per map recorded in Book 3, Pages 17 and 18, in the office of the County Recorder of Los Angeles County.

Point of beginning being the intersection of the southerly line of the Golden State Freeway and the northeasterly line of Telfair Avenue; thence along said southerly line of Golden State Freeway bearing N 53° 24' 13" E a distance of 235.0 feet; thence southeasterly bearing S 41° 23' 20" E, 87.66 feet; thence southeasterly bearing S 40° 38' 00" W 100.0 feet; thence southeasterly bearing S 41° 23' 20" E 72.89 feet; thence southwesterly bearing S 40° 38' 00" W 185.0 feet to the northeasterly line of Telfair Avenue; thence along said northeasterly line bearing N 41° 23' 20" W, a distance of 137.23 feet to point of beginning.

Exhibit 5



COPY

March 10, 2006

Ms. Rachel N. Loftin
Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

Sent: U.S. Certified Mail

Subject: EP A Region 9 letter dated February 10, 2006 to Nathan B. Adlen, California Car Hikers Service
Reference 1) Brash Industries letter dated February 23, 2006

Dear Ms. Loftin:

In accordance with the requests contained in the subject letter, the available information has been assembled for your review. Please be advised that the bulk of the information contained within this submittal has been collected from various documents that were prepared by entities and individuals not under contract to California Car Hikers Service (CCHS). Therefore, CCHS cannot attest to the accuracy or completeness of the data, and accepts no liability for any matters related to application of the enclosed data.

The information requested below is in Section 1, and characterized as follows.

1. A map with the specific locations of the facility ground water wells:

Figure 2, entitled Ancillary Facilities Map, prepared by Law Environmental, Inc.¹, in a report entitled Solid Waste Assessment Test Report - Water (SWAT) Tuxford Landfill, Sun Valley District, Los Angeles, California, prepared for Los Angeles By-Products Company, Project No. 58-7340.

2. Well logs and well construction details such as depth of well, top of casing, screen intervals, etc.

A) Page 5 of the aforementioned report states: "two new wells have been installed by L.A. By-Products pursuant to the requirement of the SWAT: one midway along the north west property line of the site, and a second midway along the southeast property line." The northwestern well is identified as Tuxford 7 and the southeastern well is identified as Tuxford 6.

¹Law Environmental was acquire by MACTEC in the mid to late 1990s. MACTEC is a national environmental consulting firm with near-by offices in Los Angeles, Telephone Number 323-889-5300, Irvine, Telephone 949-224-0050.

B) Additional well information is included in Table 1), "WELL INFORMATION."

C) Monitoring Well Construction Details are shown in: Monitoring Well Construction Details IBID. paragraph 1, Tuxford Well No.7, (Upgradient) Figure 6, and Monitoring Well Construction Details, Tuxford Well No., 6, (Downgradient).

D) The new wells were built similarly to Well 4927. They are eight-inch PVC wells drilled by the mud rotary method, approximately 375 feet deep with perforations from six feet to near the bottom (approximately 200 feet). The wells were developed by swabbing, surging and pumping. The wells have been equipped with a combination submersible pump-packer. The pump is fixed above the packer, and for sampling the packer is inflated and set a maximum of 20 feet below the ground water surface. The packer limits the mixing within the well bore between the upper and lower water in the aquifer.

3. *Date the facility groundwater wells were last sampled:*

Well sampling was performed by companies not under contract to CCHS and therefore no recent sampling records have been located. The last sampling event is thought to have occurred in 1995, or 1996, either by EPA staff, or contractors working for the EPA.

4. *List of all constituents which were analyzed during groundwater sampling events; and All groundwater sampling results, reports of findings and analytical data.*

The constituents and the analytical results are listed together, and reproduced in Section 2. Tuxford Well #7, the northwestern well, is identified in the May 16, 1990 sampling report and successive sampling reports, as "Well 4917B." The Tuxford Well #6, the south eastern well is identified in the May 16, 1990 sampling report and successive sampling reports as "Well 4917A."

5. *A ground water monitoring program should be initiated and implemented as soon as possible, but not later than March 2006, for facility. Periodically, quarterly ground water monitoring for a minimum of four quarters is needed to provide information and data on current environmental conditions at the Tuxford Landfill property.*

Per instructions in the subject letter, attempts were made to contact Los Angeles Regional Water Board Staff for assistance in developing the groundwater sampling protocol. Calls were placed on February 21, 26, and March 6, 2006. Mr. Dixon Oriola was contacted on March 6, 2006. Mr. Oriola indicated that a specific sampling protocol had been established for the Sun Valley NHOU and that a copy of the protocol could be obtained by requesting it in an email document.

An email request for the sampling protocol was sent on March 6, 2006, with a follow-up request sent on March 10, 2006, to LARWQCB staff member R. Cortez. At this point in time, the NHOU sampling guidance document has not been received. It is considered to be technically inappropriate to propose a sampling procedure in circumstances in which an approved guidance document exists, without referring to the accepted protocol. Therefore, we are awaiting further guidance from the LARWQCB before development of the quarterly groundwater monitoring program for the NHOU.

BI anticipates completion of the sampling guidance document 14 days after receipt of the LARWQCB NHOU. At which time a proposed sampling protocol will be sent to all involved parties for review and approval. The sampling program will commence upon written approval of a proposed sampling plan.

If you have any questions please feel free to contact Mr. Nathan Adlen, California Car Hikers Service, or the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "M. H. Sachse". The signature is fluid and cursive, with the first name "Marvin" and last name "Sachse" clearly distinguishable.

Marvin H. Sachse, P.E.
Principal

cc: Dixon Oriola, LA-RWQCB

Michael Massey, EPA

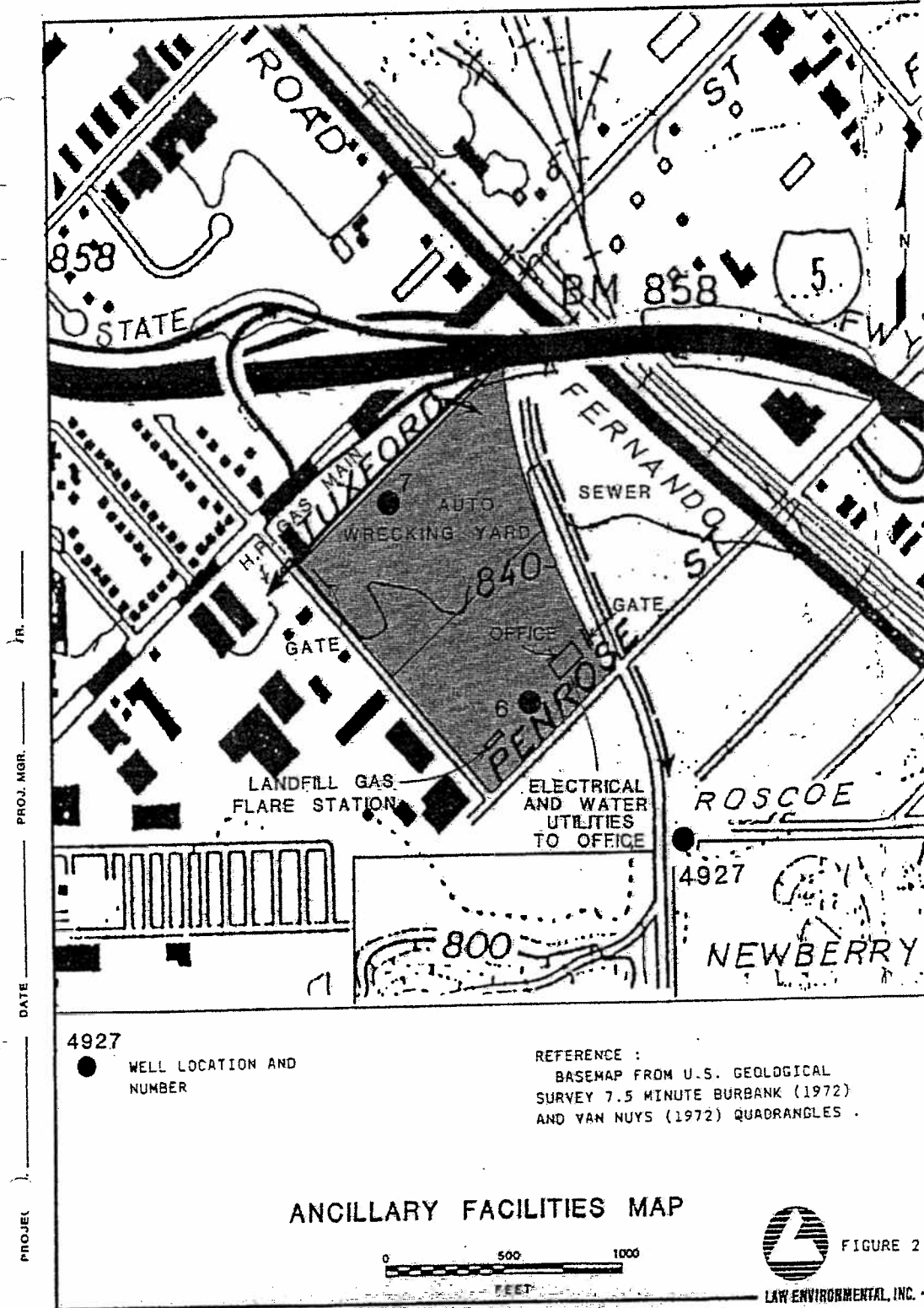
Frederick Schauffler, EPA

✓ Nathan Adlen, California Car Hikers Service

APPENDIX

SECTION 1

WELL DRILLING RESULTS



58-7340

All dimensions in feet, unless indicated otherwise.
 *15 slots per foot.
 **Gravel backfill between bentonite seal and surface seal.
 †Concrete-bentonite seal.

NOTE: All dimensions in feet, unless indicated otherwise.

*18 slots per foot.

**Gravel backfill between bentonite seal and surface seal.

+Concrete-bentonite seal.

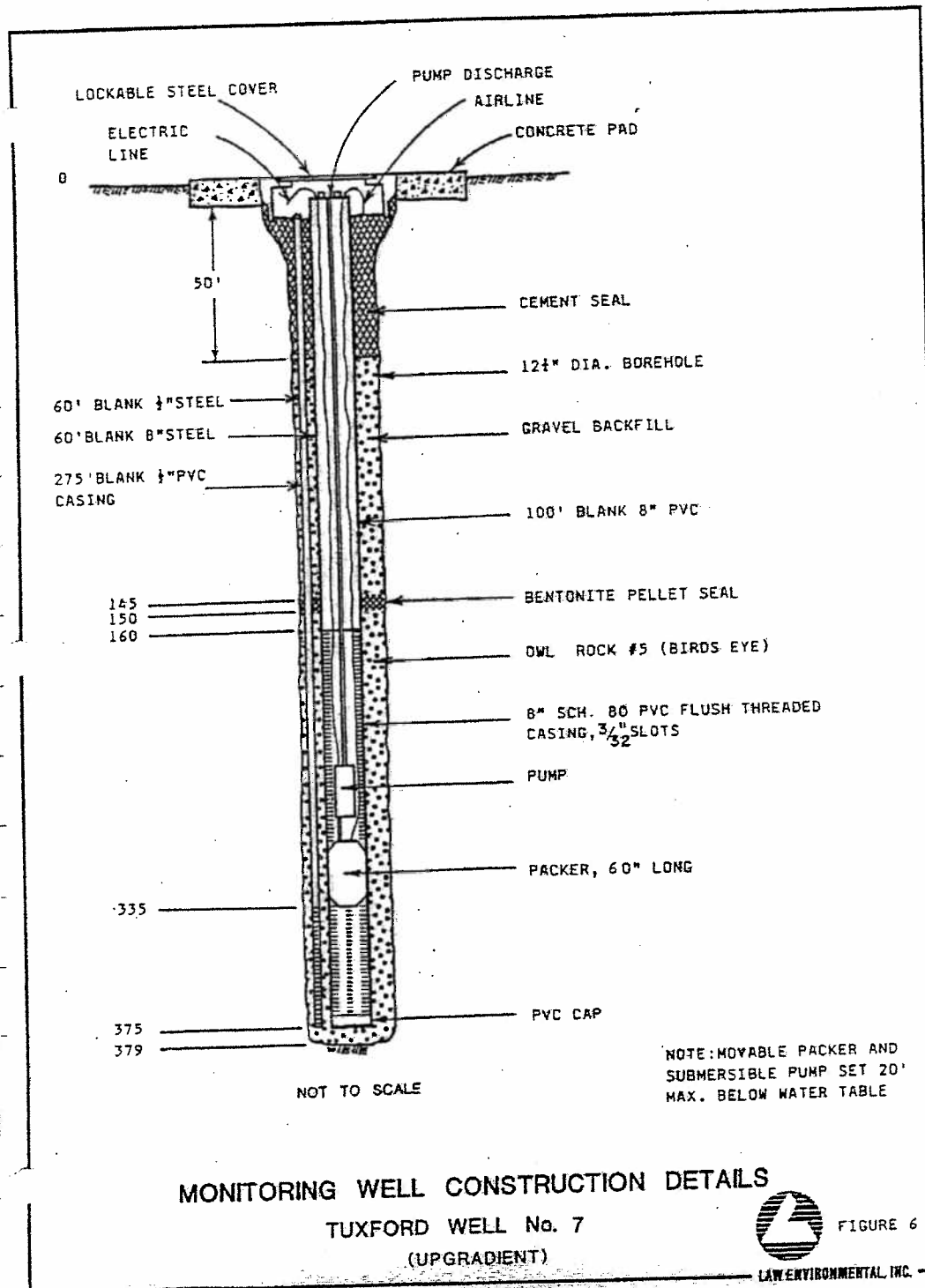
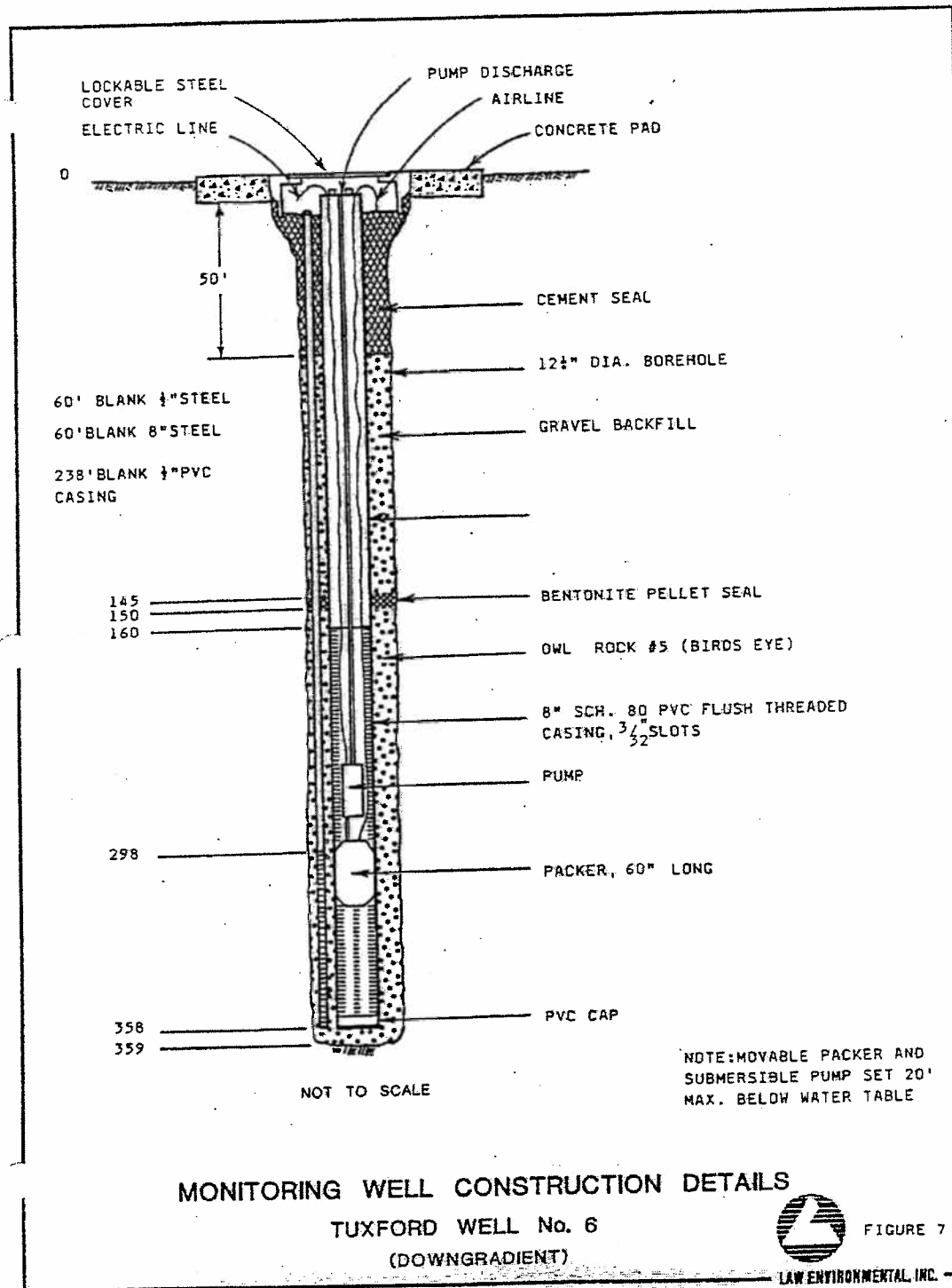


Figure 4



IMPLICATE
owner's Copy

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
WATER WELL DRILLERS REPORT

Do not fill in
No. 203763

FX-4: CBI/Trade Secret



IPPLICATE
mer's Copy

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES


Do not fill in

No. 203766

FX-4: CBI/Trade Secret

LITHOLOGIC LOG

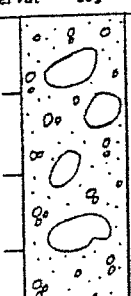

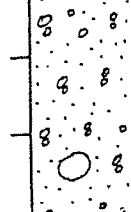
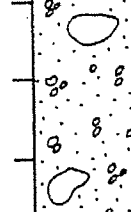

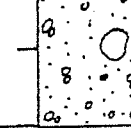

Owner: <u>Greenwald, Buffum and Rivers</u>	Project No.: <u>58-7548</u>
Location: <u>Alcon Brothers Parking Lot</u>	Well No.: <u>Interp. No. 6</u>
Drilled by: <u>Howard Rine, Inc.</u>	Page 1 of <u>3</u>
Logged by: <u>Steve McShane</u>	
Drilling Method: <u>Hand Rotary</u>	Date Completed: <u>March 17, 1988</u>
Borehole Depth: <u>325</u> feet	Static Water Level: <u>362'</u>
Borehole Diameter: <u>12-1/4</u> inches	
Casing: <u>8 sch. 40 PDC</u>	
Perforations: <u>180' - 325'</u>	Drawdown: _____ Field: _____
Ground Elevation: _____ feet/ast	Electrical Conductance: _____ microhm
Top of Casing Elevation: _____	Specific Capacity: _____ gpm/ft

Depth (feet)	Sample Interval	Graphic Log	Description of Materials
			all of aquifer Sand, gravel, cobbles, and boulders; sand tan to gray, well graded, micaceous; gravel rounded to angular; rock chips composed primarily of granite, gneiss, and schist. Rock types consistent with rocks found in the adjacent San Gabriel Mountains. Increase in boulders and cobbles with depth.
20 -			
40 -			
60 -			Boulder
80 -			
100 -			Boulder

Remarks:

LITHOLOGIC LOG

Project No.: 58-7430 Well No.: Tuxford No. 6 Page 2

Depth (feet)	Sample Interval	Graphic Log	Description of Materials
			Boulders
140 -			
160 -			
180 -			Boulders
200 -			Formation tightly cemented - drilling very slow.
220 -			
240 -			
260 -			Boulders
Remarks:			

LITHOLOGIC LOG

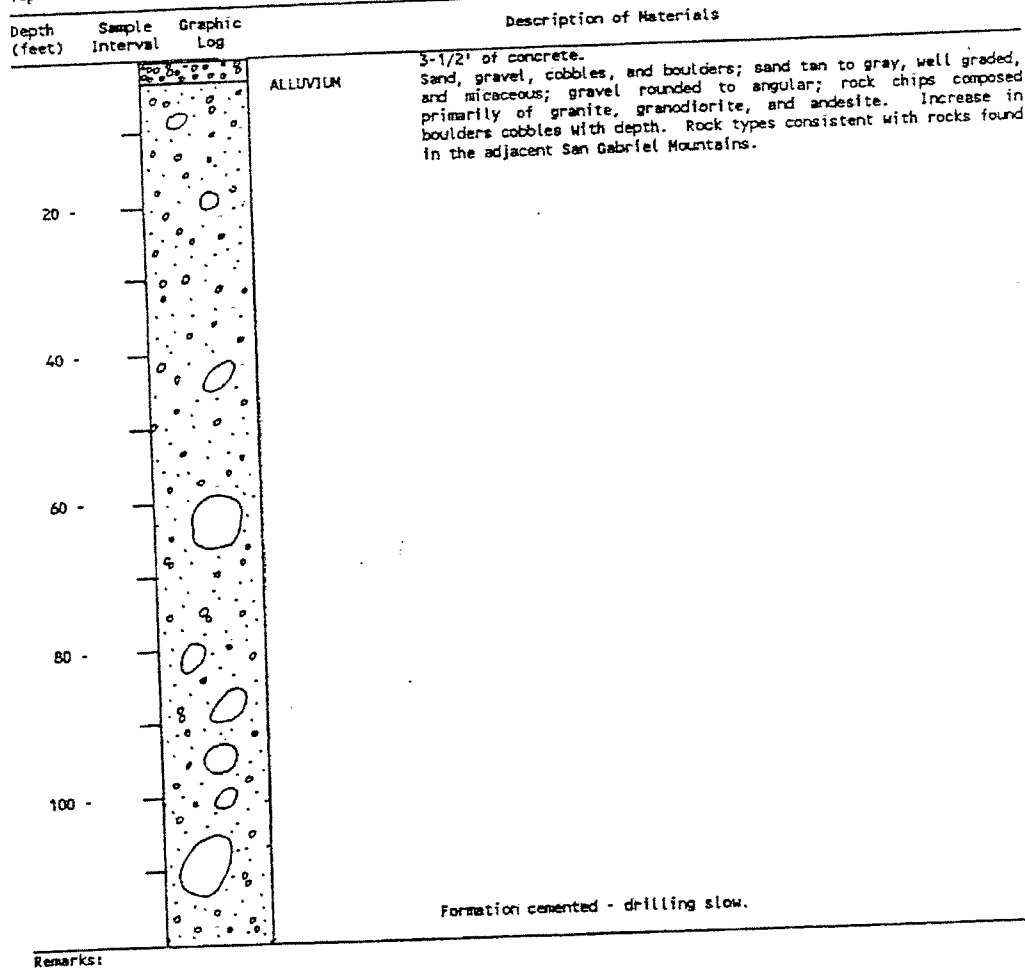
Project No.: 58-7340 Well No.: Tuxford No. 6 Page 3

Depth (feet)	Sample Interval	Graphic Log	Description of Materials
			Sand, coarse grained, cemented, gray, with small traces of silt or clay, plastic.
			Clay/silt, gray, micaceous, slightly plastic, with sand, gray, coarse.
			Total Depth: 359'

Remarks:

LITHOLOGIC LOG

Owner: Greenwald, Hoffman and Meyers Project No.: 58-7340
Location: Asiden Brothers Wrecking Yard Well No.: Tuxford No. 7
Drilled by: Howard Pump, Inc. Page 1 of 3
Logged by: Steve McArdle Date Completed: March 26, 1988
Drilling Method: Mud Rotary Static Water Level: 318'
Borehole Depth: 379 feet
Borehole Diameter: 12-1/4 inches
Casing: 8" sch. 80 PVC Drawdown: _____ Yield: _____
Perforations: 160'-375' Electrical Conductance: _____ microhos
Ground Elevation: _____ feet/asl Specific Capacity: _____ gpm/ft
Top of Casing Elevation: _____



LITHOLOGIC LOG




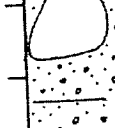
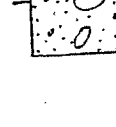
Project No.: 58-7340 Well No.: Tuxford No. 7 Page 2

Depth (feet)	Sample Interval	Graphic Log	Description of Materials
			Cementation increasing with depth.
140 -			
150 -			Boulder
180 -			Boulder
200 -			
220 -			
240 -			Boulder
260 -			

Remarks:

LITHOLOGIC LOG

Project No.: 58-7340 Well No.: Tuxford No. 7 Page 3

Depth (feet)	Sample Interval	Graphic Log	Description of Materials
			Very minor amounts of fines
300 -			Boulder
320 -			
340 -			
360 -			Boulder
380 -			
			Total Depth: 379'

Remarks:

SECTION 2

ANALYTICAL RESULTS



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

373 SOUTH FAIR OAKS AVENUE PASADENA, CA 91105 • (818) 795-7553 • FAX (818) 795-8578

LOG NO: PS8-04-661

Received: 29 APR 88

Reported: 18 MAY 88

Alice Campbell
Law Environmental
3420 N. San Fernando Rd., Suite 200
Burbank, CA 91504

Project: 58-7420

REPORT OF ANALYTICAL RESULTS

Page 9

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED			
04-661-6	Penrose Well #5			29 APR 88	
04-661-7	Newberry Well #8--batch point			29 APR 88	
04-661-8	Tuxford Well #7			29 APR 88	
04-661-9	Tuxford Well #6			29 APR 88	
PARAMETER	04-661-6	04-661-7	04-661-8	04-661-9	
Chemical Oxygen Demand, mg/L	4	<3	4	9.6	
Non-filterable Residue (NFS), mg/L	<5	<5	<5	<5	
Oil and Grease, mg/L	<5	<5	<5	<5	
Volatile Suspended Solids, mg/L	<5	<5	<5	<5	
Fluoride, mg/L	0.5	0.3	0.4	0.3	
Total Organic Halides (TOX), mg/L	<0.08	<0.08	<0.08	0.09	
Aluminum, mg/L	<0.2	<0.2	<0.2	<0.2	
Boron, mg/L	0.13	0.13	0.15	0.13	
Silicon, mg/L	11	12	12	13	
Antimony, mg/L	<0.3	<0.3	<0.3	<0.3	
Arsenic, mg/L	<0.002	<0.002	<0.002	<0.002	
Barium, mg/L	0.10	0.09	0.08	0.10	
Beryllium, mg/L	0.001	0.001	<0.001	<0.001	
Cadmium, mg/L	<0.02	<0.02	<0.02	<0.02	
Chromium, mg/L	<0.04	<0.04	<0.04	<0.04	
Cobalt, mg/L	<0.04	<0.04	<0.04	<0.04	
Lead, mg/L	<0.002	0.002	0.005	<0.002	
Mercury, mg/L	<0.0008	<0.0008	<0.0008	<0.0008	
Molybdenum, mg/L	<0.2	<0.2	<0.2	<0.2	
Nickel, mg/L	<0.04	<0.04	<0.04	<0.04	
Selenium, mg/L	<0.004	<0.004	<0.004	<0.004	
Silver, mg/L	<0.02	<0.02	<0.02	<0.02	
Thallium, mg/L	<0.2	<0.2	<0.2	<0.2	
Vanadium, mg/L	<0.03	<0.03	<0.03	<0.03	



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

373 SOUTH FAIR OAKS AVENUE PASADENA, CA 91105 • (818) 795-7553 • FAX (818) 795-8578

LOG NO: P38-04-661

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Project: 58-7420

REPORT OF ANALYTICAL RESULTS

Page 10

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED			
04-661-6	Penrose Well #5				29 APR 88
04-661-7	Newberry Well #8--batch point				29 APR 88
04-661-8	Tuxford Well #7				29 APR 88
04-661-9	Tuxford Well #6				29 APR 88
PARAMETER		04-661-6	04-661-7	04-661-8	04-661-9
E/N, A Ext. Pri. Poll. (EPA-625)					
Date Extracted		05/02/88	05/02/88	05/02/88	05/02/88
Date Analyzed		05/15/88	05/15/88	05/15/88	05/15/88
Dilution Factor, Times 1		1	1	1	1
1,2,4-Trichlorobenzene, ug/L		<10	<10	<10	<10
1,2-Dichlorobenzene, ug/L		<10	<10	<10	<10
1,2-Diphenylhydrazine, ug/L		<10	<10	<10	<10
1,3-Dichlorobenzene, ug/L		<10	<10	<10	<10
1,4-Dichlorobenzene, ug/L		<10	<10	<10	<10
2,4,6-Trichlorophenol, ug/L		<10	<10	<10	<10
2,4-Dichlorophenol, ug/L		<10	<10	<10	<10
2,4-Dimethylphenol, ug/L		<10	<10	<10	<10
2,4-Dinitrotoluene, ug/L		<25	<25	<25	<25
2,4-Dinitrophenol, ug/L		<10	<10	<10	<10
2,6-Dinitrotoluene, ug/L		<10	<10	<10	<10
2-Chloronaphthalene, ug/L		<10	<10	<10	<10
2-Methylnaphthalene, ug/L		<10	<10	<10	<10
2-Methyl Phenol, ug/L		<10	<10	<10	<10
2-Nitrophenol, ug/L		<50	<50	<50	<50
2-Nitroaniline, ug/L		<10	<10	<10	<10
2,4,5-Trichlorophenol, ug/L		<10	<10	<10	<10
2-Chlorophenol, ug/L		<50	<50	<50	<50
2-Methyl-4,6-dinitrophenol, ug/L		<10	<10	<10	<10
3'-Nichtlorobenzidine, ug/L					



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

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Received: 29 APR 88
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Project: 58-7420

REPORT OF ANALYTICAL RESULTS

Page 12

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED			
04-661-6	Penrose Well #5	29 APR 88	29 APR 88	29 APR 88	29 APR 88
04-661-7	Newberry Well #8--batch point	29 APR 88	29 APR 88	29 APR 88	29 APR 88
04-661-8	Tuxford Well #7	29 APR 88	29 APR 88	29 APR 88	29 APR 88
04-661-9	Tuxford Well #6	29 APR 88	29 APR 88	29 APR 88	29 APR 88
PARAMETER	04-661-6	04-661-7	04-661-8	04-661-9	
Butylbenzylphthalate, ug/L	<10	<10	<10	<10	
Chrysene, ug/L	<10	<10	<10	<10	
Di-n-octylphthalate, ug/L	<10	<10	<10	<10	
Ribenz(a,h)anthracene, ug/L	<10	<10	<10	<10	
Dibutylphthalate, ug/L	<50	<50	<50	<50	
Diethylphthalate, ug/L	<10	<10	<10	<10	
Dimethylphthalate, ug/L	<25	<25	<25	<25	
Dibenzofuran, ug/L	<10	<10	<10	<10	
Fluorene, ug/L	<10	<10	<10	<10	
Fluoranthene, ug/L	<10	<10	<10	<10	
Hexachlorobenzene, ug/L	<10	<10	<10	<10	
Hexachlorobutadiene, ug/L	<10	<10	<10	<10	
Hexachlorocyclopentadiene, ug/L	<10	<10	<10	<10	
Hexachloroethane, ug/L	<10	<10	<10	<10	
Indeno(1,2,3-c,d)pyrene, ug/L	<10	<10	<10	<10	
Isophorone, ug/L	<40	<40	<40	<40	
N-Nitrosodi-n-propylamine, ug/L	<80	<80	<80	<80	
N-Nitrosodimethylamine, ug/L	<10	<10	<10	<10	
N-Nitrosodiphenylamine, ug/L	<10	<10	<10	<10	
Naphthalene, ug/L	<10	<10	<10	<10	
Nitrobenzene, ug/L	<10	<10	<10	<10	
Pentachlorophenol, ug/L	<10	<10	<10	<10	
Phenanthrene, ug/L	<10	<10	<10	<10	
Phenol, ug/L	<10	<10	<10	<10	



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

373 SOUTH FAIR OAKS AVENUE PASADENA, CA 91105 • (818) 795-7553 • FAX (818) 795-8579

LOG NO: PR8-04-661

Received: 29 APR 88
Reported: 18 MAY 88

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Project: 58-7420

REPORT OF ANALYTICAL RESULTS

Page 13

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED			
04-661-6	Penrose Well #5			29 APR 88	
04-661-7	Newberry Well #8--batch point			29 APR 88	
04-661-8	Tuxford Well #7			29 APR 88	
04-661-9	Tuxford Well #6			29 APR 88	
PARAMETER		04-661-6	04-661-7	04-661-8	04-661-9
Pyrene, ug/L		<10	<10	<10	<10



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

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Project: 48-7420

REPORT OF ANALYTICAL RESULTS

Page 14

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED			
04-661-6	Penrose Well #5			29 APR 88	
04-661-7	Newberry Well #8--batch point			29 APR 88	
04-661-8	Tuxford Well #7			29 APR 88	
04-661-9	Tuxford Well #6			29 APR 88	
PARAMETER	04-661-6	04-661-7	04-661-8	04-661-9	
Vol.Pri.Poll. (EPA-624)	05/06/88	05/06/88	05/07/88	05/07/88	
Date Extracted	1	1	1	1	
Dilution Factor, Times 1	<1	<1	<1	<1	
1,1,1-Trichloroethane, ug/L	<1	<1	<1	<1	
1,1,2,2-Tetrachloroethane, ug/L	<1	<1	<1	<1	
1,1,2-Trichloroethane, ug/L	<1	<1	<1	<1	
1,1-Dichloroethane, ug/L	<1	<1	<1	<1	
1,1-Dichloroethylene, ug/L	<1	<1	<1	<1	
1,2-Dichloroethane, ug/L	<1	<1	<1	<1	
1,2-Dichlorobenzene, ug/L	<1	<1	<1	<1	
1,2-Dichloropropane, ug/L	<1	<1	<1	<1	
1,3-Dichlorobenzene, ug/L	<1	<1	<1	<1	
cis-1,3-Dichloropropene, ug/L	<1	<1	<1	<1	
1,4-Dichlorobenzene, ug/L	<1	<1	<1	<1	
2-Chloroethylvinylether, ug/L	<1	<1	<1	<1	
2-Hexanone, ug/L	<10	<10	<10	<10	
Acetone, ug/L	<10	<10	<10	<10	
Acrolein, ug/L	<10	<10	<10	<10	
Acrylonitrile, ug/L	<1	<1	<1	<1	
Bromodichloromethane, ug/L	<1	<1	<1	<1	
Bromomethane, ug/L	<1	<1	<1	<1	
Benzene, ug/L	<1	<1	<1	<1	
Chlorobenzene, ug/L	<1	<1	<1	<1	
Carbon Tetrachloride, ug/L	<1	<1	<1	<1	



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

373 SOUTH FAIR OAKS AVENUE PASADENA, CA 91105 • (818) 795-7523 • FAX (818) 795-8579

LOG NO: P88-04-661

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Project: 58-7420

REPORT OF ANALYTICAL RESULTS

Page 15

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED			
04-661-6	Penrose Well #5	29 APR 88			
04-661-7	Newberry Well #8--batch point	29 APR 88			
04-661-8	Tuxford Well #7	29 APR 88			
04-661-9	Tuxford Well #6	29 APR 88			
PARAMETER	04-661-6	04-661-7	04-661-8	04-661-9	
Chloroethane, ug/L	<1	<1	<1	<1	
Bromoform, ug/L	<1	<1	<1	<1	
Chloroform, ug/L	<1	<1	<1	<1	
Chloromethane, ug/L	<1	<1	<1	<1	
Carbon Disulfide, ug/L	<1	<1	<1	<1	
Bibromochloromethane, ug/L	<1	<1	<1	<1	
Ethylbenzene, ug/L	<1	<1	<1	<1	
Freon 113, ug/L	<1	<1	<1	<1	
Methyl Isobutyl Ketone, ug/L	<10	<10	<10	<10	
Methyl Ethyl Ketone, ug/L	<1	<1	<1	<1	
Methylene Chloride, ug/L	4	<1	12	<1	
Tetrachloroethylene, ug/L	<1	<1	<1	<1	
Styrene, ug/L	28	3	26	98	
Trichloroethylene, ug/L	<1	<1	<1	<1	
Trichlorofluoromethane, ug/L	<1	<1	<1	7	
Toluene, ug/L	<10	<10	<10	<10	
Vinyl Acetate, ug/L	<1	<1	<1	<1	
Vinyl Chloride, ug/L	<10	<10	<10	<10	
Total Xylene Isomers, ug/L	<1	<1	<1	<1	
trans-1,2-Dichloroethylene, ug/L	<1	<1	<1	<1	
trans-1,3-Dichloropropene, ug/L	<1	<1	<1	<1	



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

801 WESTERN AVENUE, GLENDALE, CA 91201
(818) 247-5737

FAX: (818) 247-9797

LOG NO: G89-12-277

Received: 14 DEC 89

Reported: 21 DEC 89

Ms. Alice Campbell
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 1

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
12-277-1	Tuxford Landfill 4917A	14 DEC 89
PARAMETER	12-277-1	
Halocarbons (EPA 601)		
Date Analyzed	12/19/89	
Dilution Factor, Times 1	1	
1,1,2,2-Tetrachloroethane, ug/L	<0.5	
1,1,2-Trichloroethane, ug/L	<0.5	
1,1-Dichloroethane, ug/L	<0.5	
1,1-Dichloroethene, ug/L	<0.5	
1,2-Dichlorobenzene, ug/L	<0.5	
1,2-Dichloroethane, ug/L	<0.5	
trans-1,2-Dichloroethene, ug/L	<0.5	
1,2-Dichloropropane, ug/L	<0.5	
1,3-Dichlorobenzene, ug/L	<0.5	
1,4-Dichlorobenzene, ug/L	<0.5	
2-Chloroethylvinylether, ug/L	<0.5	
Bromodichloromethane, ug/L	<0.5	
Bromomethane, ug/L	<0.5	
Bromoform, ug/L	<0.5	
Chlorobenzene, ug/L	<0.5	
Carbon Tetrachloride, ug/L	<0.5	
Chloroethane, ug/L	<0.5	
Chloroform, ug/L	<0.5	
Chloromethane, ug/L	<0.5	
Dibromochloromethane, ug/L	<0.5	
Dichlorodifluoromethane, ug/L	<0.5	
Freon 113, ug/L	<0.5	
Methylene chloride, ug/L	<0.5	
Tetrachloroethene, ug/L	2	



BROWN AND CALDWELL LABORATORIES

ANALYTICAL REPORT

801 WESTERN AVENUE, GLENDALE, CA 91201
(818) 247-5737

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Received: 14 DEC 89
Reported: 21 DEC 89

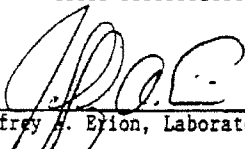
Ms. Alice Campbell
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 2

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
12-277-1	Tuxford Landfill	14 DEC 89
PARAMETER	12-277-1	
1,1,1-Trichloroethane, ug/L	<0.5	
Trichloroethene, ug/L	12	
Trichlorofluoromethane, ug/L	<0.5	
Vinyl chloride, ug/L	<0.5	
cis-1,3-Dichloropropene, ug/L	<0.5	
trans-1,3-Dichloropropene, ug/L	<0.5	


Jeffrey A. Eylon, Laboratory Manager

BC Log Number

Note: Samples are discarded 30 days after results are reported unless other arrangements are made.
Hazardous sample(s) will be returned to client or disposed of at client expense.

BC ANALYTICAL
☐ 1255 Powell Street, Emeryville, CA 94608 (415) 428-2300
☐ 801 Western Avenue, Glendale, CA 91201 (818) 247-5737

Analytical Report

LOG NO: G90-05-299

Received: 16 MAY 90
Reported: 01 JUN 90

Ms. S.K. Estrin
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 1

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
05-299-1	4912A Tuxford Landfill 4917A	16 MAY 90
PARAMETER	05-299-1	
EPA Method 8010		
Date Analyzed	05/28/90	
Dilution Factor, Times 1	1	
1,1,1-Trichloroethane, ug/L	<0.5	
1,1,2,2-Tetrachloroethane, ug/L	<0.5	
1,1,2-Trichloroethane, ug/L	<0.5	
1,1-Dichloroethane, ug/L	<0.5	
1,1-Dichloroethene, ug/L	<0.5	
1,2-Dichloroethane, ug/L	<0.5	
1,2-Dichlorobenzene, ug/L	<0.5	
1,2-Dichloroethene (Total), ug/L	<0.5	
1,2-Dichloropropane, ug/L	<0.5	
1,3-Dichlorobenzene, ug/L	<0.5	
1,4-Dichlorobenzene, ug/L	<0.5	
2-Chloroethylvinylether, ug/L	<0.5	
Bromodichloromethane, ug/L	<0.5	
Bromomethane, ug/L	<0.5	
Bromoform, ug/L	<0.5	
Chlorobenzene, ug/L	<0.5	
Carbon Tetrachloride, ug/L	<0.5	
Chloroethane, ug/L	<0.5	
Chloroform, ug/L	<0.5	
Chloromethane, ug/L	<0.5	
Dibromochloromethane, ug/L	<0.5	
Dichlorodifluoromethane, ug/L	<0.5	
Freon 113, ug/L	<0.5	
Methylene chloride, ug/L	<0.5	

801 Western Avenue
Glendale, CA 91201

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Fax: 818/247-9797



B C Analytical

Analytical Report

LOG NO: G90-05-299

Received: 16 MAY 90

Reported: 01 JUN 90

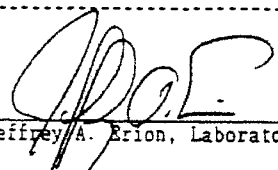
Ms. S.K. Estrin
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 2

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
05-299-1	4912A Tuxford Landfill 4917A	16 MAY 90
PARAMETER	05-299-1	
Trichloroethene, ug/L	43	
Trichlorofluoromethane, ug/L	<0.5	
Tetrachloroethene, ug/L	1	
Vinyl chloride, ug/L	<0.5	
cis-1,3-Dichloropropene, ug/L	<0.5	
trans-1,3-Dichloropropene, ug/L	<0.5	
Other EPA Method 8010	---	


Jeffrey A. Erlon, Laboratory Manager

801 Western Avenue
Glendale, CA 91201

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CHAIN OF CUSTODY RECORD

Lab Log Number 05-299

[illegible]

Analytical Report

LOG NO: G90-08-400

Received: 21 AUG 90
Reported: 12 SEP 90

Ms. Sharon Estrine
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 1

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
08-400-1	4197A 4917A	21 AUG 90
PARAMETER	08-400-1	
Chemical Oxygen Demand, mg/L	6	

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Project: 58-9696

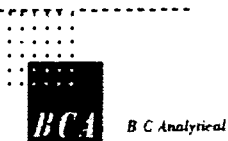
REPORT OF ANALYTICAL RESULTS

Page 2

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
08-400-1	4197A 4917A	21 AUG 90
PARAMETER	08-400-1	
Vol.Pr1.Poll. (EPA-8240)		
Date Analyzed	08/27/90	
Dilution Factor, Times 1	1	
1,1,1-Trichloroethane, ug/L	<1	
1,1,2,2-Tetrachloroethane, ug/L	<1	
1,1,2-Trichloroethane, ug/L	<1	
1,1-Dichloroethane, ug/L	<1	
1,1-Dichloroethene, ug/L	<1	
1,2-Dichloroethane, ug/L	<1	
1,2-Dichlorobenzene, ug/L	<1	
1,2-Dichloropropane, ug/L	<1	
1,3-Dichlorobenzene, ug/L	<1	
1,4-Dichlorobenzene, ug/L	<1	
2-Chloroethylvinylether, ug/L	<1	
2-Hexanone, ug/L	<10	
Acetone, ug/L	<50	
Acrolein, ug/L	<50	
Acrylonitrile, ug/L	<20	
Bromodichloromethane, ug/L	<1	
Bromomethane, ug/L	<1	
Benzene, ug/L	<1	
Bromoform, ug/L	<1	
Chlorobenzene, ug/L	<1	
Carbon Tetrachloride, ug/L	<1	
Chloroethane, ug/L	<1	
Chloroform, ug/L	<1	
Chloromethane, ug/L	<2	
Carbon Disulfide, ug/L	<2	

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Analytical Report

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REPORT OF ANALYTICAL RESULTS

Page 3

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
08-400-1	4197A 4917A	21 AUG 90
PARAMETER	08-400-1	
Dibromochloromethane, ug/L	<1	
Ethylbenzene, ug/L	<1	
Freon 113, ug/L	<1	
Methyl ethyl ketone, ug/L	<10	
Methyl isobutyl ketone, ug/L	<5	
Methylene chloride, ug/L	<2	
Styrene, ug/L	<1	
Trichloroethene, ug/L	36	
Trichlorofluoromethane, ug/L	<1	
Toluene, ug/L	<1	
Tetrachloroethene, ug/L	<1	
Vinyl acetate, ug/L	<5	
Vinyl chloride, ug/L	<1	
Total Xylene Isomers, ug/L	<5	
cis-1,2-Dichloroethene, ug/L	<1	
cis-1,3-Dichloropropene, ug/L	<1	
trans-1,2-Dichloroethene, ug/L	<1	
trans-1,3-Dichloropropene, ug/L	<1	
Other Vol.Pri.Poll. (EPA-8240)	---	

801 Western Avenue
Glendale, CA 91201

818/247-5737
Fax: 818/247-9797



B C Analytical

Analytical Report

LOG NO: G90-08-400

Received: 21 AUG 90

Reported: 12 SEP 90

Ms. Sharon Estrine
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 3

Page 1

Log Number : 90-08-400-1			General Mineral Analysis	
Sample Description: 4197A 4917A			Sampled Date 21 AUG 90	
Anions	mg/L	meq/L	Determination	mg/L
Nitrate (as NO3)	16	0.26	Hydroxide Alk (as CaCO3)	<1
Chloride	18	0.51	Carbonate Alk (as CaCO3)	<1
Sulfate	67	1.4	Bicarbonate Alk (as CaCO3)	210
Bicarbonate (as HCO3)	260	4.2	Ca Hardness (as CaCO3)	170
Carbonate (as CO3)	<0.6	<0.02	Mg Hardness (as CaCO3)	66
Hydroxide (as OH)	<0.34	<0.02		
Total Millequivalents per Liter			Total Hardness	236
			Iron	<0.1
			Manganese	<0.01
Cations	mg/L	meq/L	Copper	<0.02
			Zinc	0.12
Magnesium	16	1.3	Surfactants (MBAS)	<0.10
Sodium	33	1.4	Filterable Residue (TDS)	370
Potassium	4.7	0.12	Sp. Conductance, umhos/cm	610
Calcium	69	3.4	pH, units	7.5
Total Millequivalents per Liter			Ion balance in percent	1.50

* Conforms to Title 22, California Administrative Code


Jeffrey M. Brion, Laboratory Manager

801 Western Avenue
Glendale, CA 91201

818/247-5737
Fax: 818/247-9797



[illegible]

KEY: AQ—Aqueous NA—Nonaqueous SL—Sludge
GW—Groundwater SO—Soil OT—Other PE—Petroleum

Note: Samples are discarded 30 days after results are reported unless other arrangements are made.
Hazardous samples will be returned to client or disposed of at client's expense.

☐ 1256 Powell Street, Emeryville, CA 94608 (415) 426-2300

☐ 801 Western Avenue, Glendale, CA 91201 (818) 247-5737

☐ 1200 Pacifico Avenue, Anaheim, CA 92805 (714) 978-0113

Analytical Report

LOG NO: G90-10-050

Received: 02 OCT 90

Reported: 29 OCT 90

Ms. Martine Alter
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 1

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
10-050-1	4917A	02 OCT 90
PARAMETER	10-050-1	
Chemical Oxygen Demand, mg/L	<5	

801 Western Avenue
Glendale, CA 91201

818/247-5737
Fax: 818/247-9797



BCA

B C Analytical

Analytical Report

LOG NO: G90-10-050

Received: 02 OCT 90
Reported: 29 OCT 90

Ms. Martine Alter
Lav Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 2

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
10-050-1	4917A	02 OCT 90
PARAMETER	10-050-1	
EPA Method 8010		
Date Analyzed	10/08/90	
Date Confirmed	10/08/90	
Dilution Factor, Times 1	1	
1,1,1-Trichloroethane, ug/L	<0.5	
1,1,2,2-Tetrachloroethane, ug/L	<0.5	
1,1,2-Trichloroethane, ug/L	<0.5	
1,1-Dichloroethane, ug/L	<0.5	
1,1-Dichloroethene, ug/L	<0.5	
1,2-Dichloroethane, ug/L	<0.5	
1,2-Dichlorobenzene, ug/L	<0.5	
1,2-Dichloroethene (Total), ug/L	<0.5	
1,2-Dichloropropane, ug/L	<0.5	
1,3-Dichlorobenzene, ug/L	<0.5	
1,4-Dichlorobenzene, ug/L	<0.5	
2-Chloroethylvinylether, ug/L	<0.5	
Bromodichloromethane, ug/L	<0.5	
Bromomethane, ug/L	<0.5	
Bromoform, ug/L	<0.5	
Chlorobenzene, ug/L	<0.5	
Carbon Tetrachloride, ug/L	<0.5	
Chloroethane, ug/L	<0.5	
Chloroform, ug/L	2	
Chloromethane, ug/L	<0.5	
Dibromochloromethane, ug/L	<0.5	
Dichlorodifluoromethane, ug/L	<0.5	
Freon 113, ug/L	<0.5	
Methylene chloride, ug/L	<0.5	

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B C Analytical

Analytical Report

LOG NO: G90-10-050

Received: 02 OCT 90

Reported: 29 OCT 90

Ms. Martine Alter
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 3

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
10-050-1	4917A	02 OCT 90
PARAMETER	10-050-1	
Trichloroethene, ug/L	50	
Trichlorofluoromethane, ug/L	<0.5	
Tetrachloroethene, ug/L	0.8	
Vinyl chloride, ug/L	<0.5	
cis-1,3-Dichloropropene, ug/L	<0.5	
trans-1,3-Dichloropropene, ug/L	<0.5	

801 Western Avenue
Glendale, CA 91201

818/247-5737
Fax: 818/247-9797



B C Analytical

Analytical Report

LOG NO: G90-10-050

Received: 02 OCT 90

Reported: 29 OCT 90

Ms. Martine Alter
Law Environmental
3320 W. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 1

LOG NO	SAMPLE DESCRIPTION, GROUND WATER SAMPLES	DATE SAMPLED
10-050-1	4917A	02 OCT 90
PARAMETER	10-050-1	
Alkalinity		
Carbonate Alk (as CaCO ₃), mg/L	<1	
Bicarbonate Alk (as CaCO ₃), mg/L	220	
Hydroxide Alk (as CaCO ₃), mg/L	<1	
Total Alkalinity (as CaCO ₃), mg/L	220	
Calcium, mg/L	74	
Magnesium, mg/L	17	
Chloride, mg/L	20	
Copper, mg/L	<0.02	
Surfactants (MBAS), mg/L	<0.1	
Iron, mg/L	<0.1	
Manganese, mg/L	<0.01	
pH, Units	7.5	
Potassium, mg/L	4.6	
Sodium, mg/L	34	
Sulfate, mg/L	72	
Specific Conductance, umhos/cm	630	
Filterable Residue (TDS), mg/L	390	
Zinc, mg/L	0.10	
Ion Balance, .	ATTACHED	
Nitrate Nitrogen		
Nitrate (as N), mg/L	2.5	
Nitrate (as NO ₃), mg/L	11	
General Mineral Filtration, mg/L	10/04/90	
Nitric Acid Digestion with HCl, Date	10/04/90	
Aluminum, mg/L	<0.2	
Chemical Oxygen Demand, mg/L	<5	

801 Western Avenue
Glendale, CA 91201

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B C Analytical

Analytical Report

LOG NO: G90-10-050

Received: 02 OCT 90

Reported: 29 OCT 90

Ms. Martine Alter
Law Environmental
3320 N. San Fernando Rd.
Burbank, CA 91504

Project: 58-9696

REPORT OF ANALYTICAL RESULTS

Page 3

Page 1

Log Number : 90-10-050-1			General Mineral Analysis	
Sample Description: 4917A			Sampled Date 02 OCT 90	
Anions	mg/L	meq/L	Determination	mg/L
Nitrate (as NO ₃)	11	0.18	Hydroxide Alk (as CaCO ₃)	<1
Chloride	20	0.56	Carbonate Alk (as CaCO ₃)	<1
Sulfate	72	1.5	Bicarbonate Alk (as CaCO ₃)	220
Bicarbonate (as HCO ₃)	270	4.4	Ca Hardness (as CaCO ₃)	180
Carbonate (as CO ₃)	<0.6	<0.02	Mg Hardness (as CaCO ₃)	70
Hydroxide (as OH)	<0.34	<0.02		
Total Millequivalents per Liter			Total Hardness	250
			Iron	<0.1
			Manganese	<0.01
			Copper	<0.02
			Zinc	0.10
			Surfactants (MBAS)	<0.1
			Filterable Residue (TDS)	390
			Sp. Conductance, umhos/cm	630
			pH, units	7.5
Total Millequivalents per Liter			Ion balance in percent	0.29
* Conforms to Title 22, California Administrative Code				

Jeffrey A. Erion, Laboratory Manager

801 Western Avenue
Glendale, CA 91201

818/247-5737
Fax: 818/247-9797



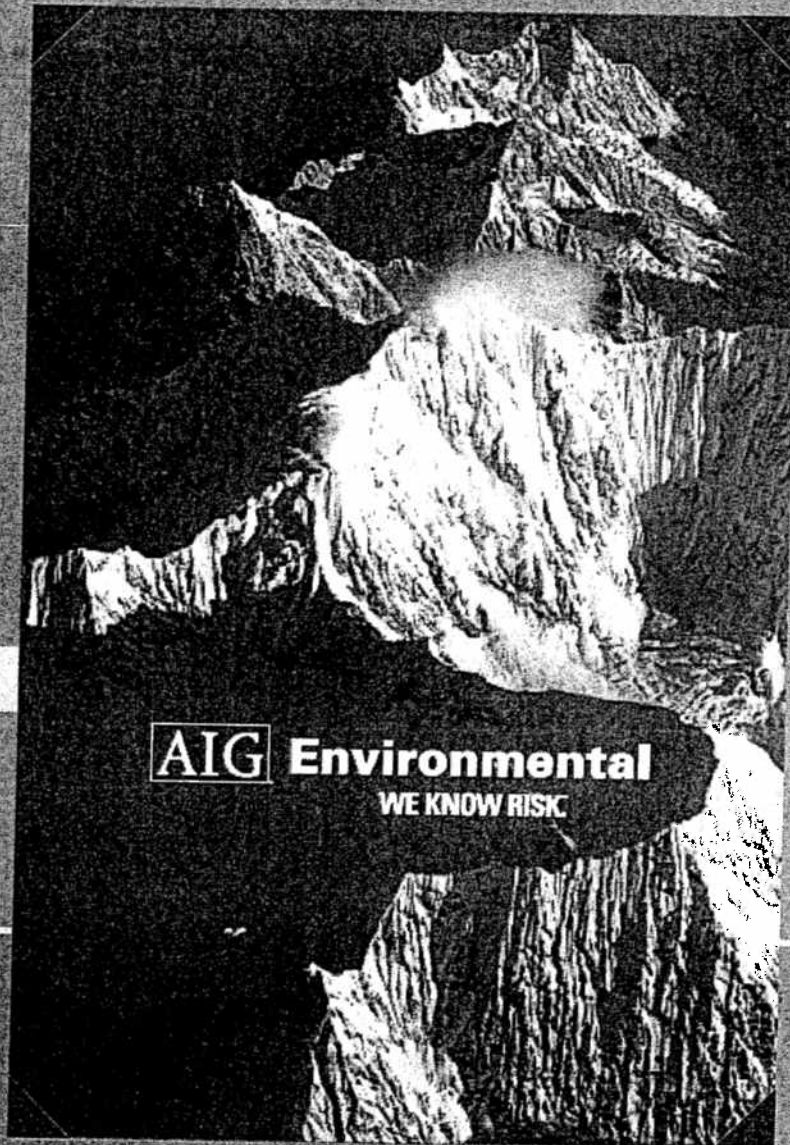
[illegible]

Note. Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at client's expense.

*KEY AQ—Aqueous NA—Nonaqueous GL—Sludge
GW—Groundwater SO—Soil OT—Other PE—Petroleum

B C ANALYTICAL
1255 Powell Street, Emeryville, CA 94608 (415) 428-2300
601 Western Avenue, Glendale, CA 91201 (818) 247-5737
1001 Pacific Avenue, Anaheim, CA 92805 (714) 978-0113

Exhibit 6



STEVEN H. SPIEGLER
Insurance Services Inc.

7855 Ivanhoe Ave., Suite 460 • La Jolla, California 92037
License # 0B71012



A Member Company
of American International Group, Inc.

AMERICAN INTERNATIONAL SPECIALTY INSURANCE COMPANY

(A Capital Stock Company, herein called the Company)

70 Pine Street

New York, N.Y. 10270

**COMMERCIAL GENERAL LIABILITY AND POLLUTION LEGAL LIABILITY DECLARATIONS
COVERAGE D IS CLAIMS MADE -- PLEASE READ THE ENTIRE FORM CAREFULLY**

POLICY NUMBER: EG 1721283

RENEWAL OF: NEW

ITEM 1. NAMED INSURED:

ADLEN GROUP ENTERPRISES

MAILING ADDRESS:

8103 SOUTH ALAMEDA ST.
LOS ANGELES, CA 90001

PRODUCER:

STEVEN H. SPIEGLER INS SVCS, INC.
7855 IVANHOE AVE., SUITE 460
LA JOLLA, CA 92037

PRODUCER NO: 90703

ITEM 2. POLICY PERIOD:

From: February 11, 2006

To: February 11, 2007

At 12:01 AM Standard Time at your mailing address shown above

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU
TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

ITEM 3. LIMITS OF INSURANCE

GENERAL AGGREGATE LIMIT (Other Than Product-Completed Operations)	\$ 2,000,000	
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000	
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000	
EACH OCCURRENCE LIMIT	\$ 1,000,000	
EACH LOSS LIMIT (COVERAGE D. POLLUTION LEGAL LIABILITY)	\$ 1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 50,000	
MEDICAL EXPENSE LIMIT	\$ 5,000	Any One Person

ITEM 4. DEDUCTIBLE - COVERAGE D. POLLUTION LEGAL LIABILITY

a. COVERAGE D-1: DEDUCTIBLE	\$ 25,000
b. COVERAGE D-2: DEDUCTIBLE	\$ 25,000

ITEM 5. RETROACTIVE DATES

Coverage D of this insurance does not apply to pollution conditions which occur before the Retroactive Date shown below.
Retroactive Date: February 11, 2006

ITEM 6. INSURED PROPERTY - COVERAGE D POLLUTION LEGAL LIABILITY ONLY: PER ENDORSEMENT 74521

ITEM 7. FORMS OF BUSINESS:

☐ Individual ☐ Partnership ☐ Joint Venture ☒ Organization (Other than Partnership or Joint Venture)

Business Description: Scrap Metal Recycler

Location of All Premises You Own, Rent or Occupy: As per application

ITEM 8. ADVANCED PREMIUM: \$55,464.00

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:
Not Applicable, Coverage Rejected By Insured

CA Taxes: \$1,663.92 NOT INCLUDED IN PREMIUM
SLA TAXES: \$97.06 NOT INCLUDED IN PREMIUM

ITEM 9. FORMS AND ENDORSEMENTS ATTACHED TO THIS POLICY: APPLICATION AND FORMS SCHEDULE


AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

75341 (8/04)
012524

DISCLAIMER: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.

5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1 (800) 927-4357.

6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

AIG ENVIRONMENTAL PIER II REGISTRATION FORM

Brian Johnson
PIER II Program Manager
AIG Consultants-Environmental Management Division
One MacArthur Place, 6th Floor
South Coast Metro, CA 92707

Policy Holder Information:

Named Insured	<u>ADLEN GROUP ENTERPRISES</u>	Policy #:	<u>EG 1721283</u>
		Phone number:	
Contact Name:		Fax number:	
Mailing Address:	<u>8103 SOUTH ALAMEDA ST.</u>		
		County:	
City:	<u>LOS ANGELES</u>		
State ZIP:	<u>CA 90001</u>		

Emergency Contact Information:

☐ Check here if the emergency contact is not the same for every facility under this policy. AIG will contact you for more information.

Primary Contact: (must be filled in)

Name:		Daytime Phone:	
Mailing Address:		Nighttime Phone:	
City:			
State ZIP:			

Secondary Contact: (must be filled in)

Name:		Daytime Phone:	
Mailing Address:		Nighttime Phone:	
City:			
State ZIP:			

AIG ENVIRONMENTAL PIER II REGISTRATION FORM

(continued)

Site specific information * (Physical addresses, not mailing addresses) * Please copy for additional sites.

Facility #: _____
Facility Name: _____
Address 1: _____
Address 2: _____
City: _____
State: _____
Zip: _____
Facility Type: _____
Comments: _____

Facility #: _____
Facility Name: _____
Address 1: _____
Address 2: _____
City: _____
State: _____
Zip: _____
Facility Type: _____
Comments: _____

Facility #: _____
Facility Name: _____
Address 1: _____
Address 2: _____
City: _____
State: _____
Zip: _____
Facility Type: _____
Comments: _____

Facility #: _____
Facility Name: _____
Address 1: _____
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City: _____
State: _____
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Comments: _____

Facility #: _____
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State: _____
Zip: _____
Facility Type: _____
Comments: _____

Facility #: _____
Facility Name: _____
Address 1: _____
Address 2: _____
City: _____
State: _____
Zip: _____
Facility Type: _____
Comments: _____



AIG Environmental

A Division of American International Companies®

To: ADLEN GROUP ENTERPRISES

From: AIG Environmental

Date: March 3, 2006

Re: PIER II Program Q & A

Q. What exactly is the PIER II Program?

- A. The Pollution Incident and Environmental Response (PIER II) Program is designed to assist you when you have determined that additional emergency response capabilities and services are necessary to respond to your environmental pollution incident. PIER II resources include a national network of emergency response contractors and environmental consultants. Additionally, project management services will be provided by AIG Consultants-Environmental Management Division (AIGC-EM). AIGC-EM will be in communication with both you and the emergency responder during the incident to make sure that all resources of the PIER II Program are made available to you.

Q. Why should I use the PIER II Program?

- A. The PIER II Program provides you with a national network of emergency response resources with just one phone call. As an AIG Environmental client, you will benefit from reduced rates that have already been negotiated for you. In addition to providing you with the management services of an AIGC-EM Program Manager, PIER II also offers investigative services, adjusting services, and a crisis management advisory board that can be utilized.

Q. How do I access the PIER II Program when I have an emergency?

- A. To access the PIER II Program 24 hours a day, simply dial toll-free **1-877 PIER NOW (877.743.7669)** and you will be connected to the Emergency Response Hotline. Enter your call-back number, and the on-call AIGC-EM PIER Program Manager will return your page, collect vital information, and dispatch the emergency response services that you require.

Q. What are my responsibilities through the response process?

- A. As the responsible party, you are ultimately responsible for responding to your environmental pollution incident. The PIER II Program is offered to assist you in the overall incident response and management process.

Q. Are my claim reporting requirements satisfied by accessing the PIER II Program?

- A. No. Please refer to your policy for claim reporting requirements.

Q. By being a participant in PIER II, does this mean that my claim is automatically covered by AIG? If not, who pays for the PIER II services?

- A. Coverage will be determined by the claims department after a factual analysis of the incident and the insurance policy. Covered costs will be paid or reimbursed up to the limit of the policy and subject to any deductible or retention amount. If the incident is not covered by the policy, then you will be responsible for payment of the response. In either situation, you will benefit from the pre-negotiated low rates.

Q. What do I need to do to sign up for the PIER II Program?

- A. The best thing to do is to register for the PIER II Program using the registration form included in this packet. The PIER Program Manager listed below can then contact you to provide you with more information.

Q. Who should I contact to discuss the PIER II Program?

- A. To discuss the PIER II Program benefits and to register your company for PIER II Program services, contact:

PIER Program Manager
AIG Consultants, Inc.
Environmental Mgmt. Division
One MacArthur Place., 6th Floor
South Coast Metro, CA 92707
Phone: 1-800-348-4314 ask for Department Code PIER II
Email: PIER@aig.com

AIG ENVIRONMENTAL PIER II PROGRAM

Insured: ADLEN GROUP ENTERPRISES

Policy #: EG 1721283

Congratulations for choosing AIG Environmental® as your insurance provider! Among other things, your decision allows you access to the Pollution Incident and Environmental Response (PIER II) Program. This program is designed to assist you with your environmental response to catastrophic events or releases at your facility or facilities.

Enclosed you will find:

- Question and Answers regarding the PIER II Program
- PIER II Registration Form

Please complete the enclosed registration form to allow us to have the correct contacts for providing environmental management services if an environmental emergency should occur at your facility or facilities. A postage paid envelope is enclosed for your convenience.

The PIER Program has a toll-free telephone number **1 (877) PIER NOW** (877.743.7669) in case of an emergency. You may follow the guidelines below to determine when to call for PIER II program services.

Call PIER II when:

- A significant amount of hazardous materials is released onto the ground, soil, into the storm drain, or sewer.
- Abnormal amounts of hazardous vapors are detected.

Do not Call PIER II for:

- Regulatory inspections
- Purposes of satisfying claim-reporting requirements.

Enrolling in this service allows us to provide you with one number to call for assistance with your emergency response when it really matters; potentially reducing insurance claims, remediation costs, and environmental contamination.

If you have any questions about the application or general questions about the PIER II Program please call 1-800-348-4314 and ask for Department Code PIER II.

Thank you,

PIER Program Manager
AIG Consultants-Environmental Management Division
One MacArthur Place, 6th Floor
South Coast Metro, CA 92707
Email: PIER@aig.com

POLICYHOLDER DISCLOSURE STATEMENT
UNDER
TERRORISM RISK INSURANCE ACT OF 2002

You are hereby notified that under the federal Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism and thus covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

For your information, if such coverage is purchased, coverage provided by the policy for losses caused by an Act of Terrorism may be partially reimbursed by the United States under a formula established by the Act. Under this formula the United States pays 90% of terrorism losses covered by this law exceeding a statutorily established deductible that must be met by the insurer, and which deductible is based on a percentage of the insurer's direct earned premiums for the year preceeding the Act of Terrorism.

Coverage for Acts of Terrorism is not included in the policy referenced below as the insured has rejected the offer to purchase such insurance.

AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.
NAMED INSURED: ADLEN GROUP ENTERPRISES
POLICY #: EG 1721283
EFFECTIVE DATES: 02/11/2006 TO 02/11/2007

FORMS SCHEDULE

Named Insured: ADLEN GROUP ENTERPRISES

Policy Number: EG 1721283

Effective 12:01 AM: February 11, 2006

End't. No.	Form Name	Form Number/ Edition Date
	AISLIC Eagle Occurrence Declarations Page	75341 (08/04)
	AISLIC Eagle Occurrence Policy	75342 (08/04)
	Notice of Loss/Notice of Claim	CI1141 (09/00)
1	Pol Excl-Prod-Comp Ops,Yr Work & Hstl Fire Excep	72623 (07/00)
2	Deductible Liability Insurance	MNSCPT (03/06)
3	Accident Insurance Endorsement	89129 (05/05)
4	Excl - Viol Stat - Send, Trans, Comm Mat or Info	87993 (04/05)
5	Natural Resource Damage Exclusion End.	86813 (10/04)
6	Premium Audit Endt - Not Auditable	69702 (02/98)
7	Waiver of Subrogation - USA	65387 (05/96)
8	Additional Insureds - Coverages A, B, C	65386 (02/98)
9	Employee Benefits Liability Coverage - USA	51767 (04/91)
10	Terrorism Excl W/Cert Acts Exception Purchased End	81270 (12/02)
11	Terrorism Excl - All (Incl Cert Acts Of Terrorism)	81268 (12/02)
12	War Exclusion Endorsement	79106 (12/01)
13	Condition Of Payment Endorsement	90365 (01/06)
14	Sudden & Accidental BI and PD Pollution Cov End	89643 (09/05)
15	Cov A,B,C,D Limit UST Excl	73477 (08/99)
16	Microbial Matter Exclusion Endorsement	83985 (01/04)
17	Minimum Earned Premium Endorsement	77992 (05/01)
18	Insured Property(s) - Cov. D	74521 (10/00)

AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY

COMMERCIAL GENERAL LIABILITY AND POLLUTION
LEGAL LIABILITY COVERAGES FORM

COVERAGES D-1 AND D-2 PROVIDE "CLAIMS MADE AND REPORTED" COVERAGE, AND HAVE REPORTING REQUIREMENTS DIFFERENT FROM THOSE FOR COVERAGES A AND B. COVERAGES D-1 AND D-2 REQUIRE THAT A CLAIM BE MADE UPON THE INSURED AND REPORTED IN WRITING TO US DURING THE SAME POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF ANY.

PLEASE READ THE ENTIRE FORM CAREFULLY

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in bold have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I - COVERAGES

COVERAGE A. - BODILY INJURY AND PROPERTY
DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this Coverage applies. We will have the right and duty to defend any **suit** seeking those damages. However, we will have no duty to defend the insured against any **suit** seeking damages for **bodily injury** or **property damage** to which this Coverage does not apply. We may, at our discretion, investigate any **occurrence** and settle any **claim** or **suit** that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSUR-

ANCE AND DEDUCTIBLE (Section III); and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B, medical expenses under Coverage C, or **loss** under Coverages D-1 or D-2.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to **bodily injury** and **property damage** only if:

- (1) The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
(2) The **bodily injury** or **property damage** occurs during the **policy period**.

- c. Damages because of **bodily injury** include damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.

2. Exclusions

This insurance does not apply to:

a. **Expected or Intended Injury**

Bodily injury or **property damage** expected or intended from the standpoint of the insured. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

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b. **Professional Services**

Bodily injury or **property damage** arising out of the rendering or failure to render any **professional services** by or for you.

c. **Contractual Liability**

Bodily injury or **property damage** for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of **bodily injury** or **property damage**, provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **insured contract**; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

d. **Liquor Liability**

Bodily injury or **property damage** for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

e. **Workers Compensation and Similar Laws**

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

f. **Employer's Liability**

Bodily injury to:

- (1) An **employee** of the insured, arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that **employee** as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an **insured contract**.

g. **Pollution**

- (1) **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, Subparagraph (a) does not apply to:
 - (i) **Bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (ii) **Bodily injury** or **property damage** for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at the premises, site or location and such premises, site or

location is not or never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) **Bodily injury or property damage** arising out of heat, smoke or fumes from a **hostile fire**;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations: If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph (d) does not apply to:
 - (i) **Bodily injury or property damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) **Bodily injury or property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) **Bodily injury or property damage** arising out of heat, smoke or fumes from a **hostile fire**;

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
- (b) **Claim or suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, this paragraph does not apply to liability for damages because of **property damage** that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such **claim or suit** by or on behalf of a governmental authority.

h. **Aircraft, Auto or Watercraft**

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and **loading or unloading**.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft; or
- (5) **Bodily injury** or **property damage** arising out of the operation of any of the equipment listed in paragraph f. (2) or f. (3) of the definition of **mobile equipment** (Section VI).

i. **Mobile Equipment**

Bodily injury or **property damage** arising out of:

- (1) The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any insured; or
- (2) The use of **mobile equipment** in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

j. **War**

Bodily injury or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

k. **Damage to Property**

Property damage to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) Property loaned to you;
- (4) **Personal property** in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf

are performing operations, if the **property damage** arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraph (1), (3) and (4) of this exclusion do not apply to **property damage** (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in LIMITS OF INSURANCE AND DEDUCTIBLE (Section III).

Paragraph (2) of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

l. **Damage to Your Product**

Property damage to **your product** arising out of it or any part of it.

m. **Damage to Your Work**

Property damage to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. **Damage to Impaired Property or Property Not Physically Injured**

Property damage to **impaired property** or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

o. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **Your product**;
- (2) **Your work**; or
- (3) **Impaired property**;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal and Advertising Injury

Bodily injury arising out of **personal and advertising injury**.

q. Radioactive Matter

Bodily injury or **property damage** arising out of the actual, alleged or threatened exposure of persons or property to any radioactive matter.

r. Asbestos

- (1) **Bodily injury** arising out of the presence, ingestion or inhalation of, or exposure to, asbestos in any form or products containing asbestos; or
- (2) **Property damage** arising out of the presence of, or exposure to, asbestos in any form or products containing asbestos.

s. Lead

- (1) **Bodily injury** arising out of the presence, ingestion, inhalation or absorption of, or exposure to, lead in any form or products containing lead; or
- (2) **Property damage** arising out of the presence of, or exposure to, lead in any form or products containing lead.

t. Employment - Related Practices

Bodily injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of the person as a consequence of **bodily injury** to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

u. Covered by Other Coverages

Any **claim** or part thereof which may be alleged as covered under this Coverage of this Policy, if we have accepted coverage or coverage has been held to apply for such **claim** or part thereof under any other Coverage in this Policy. This exclusion does not apply to any **claim** for medical expenses under Coverage C caused by **bodily injury** which is covered under Coverage A.

Exclusions c. through n. do not apply to damage by fire to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE AND DEDUCTIBLE (Section III).

COVERAGE B. - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of **personal and advertising injury** to which this Coverage applies. We will have the right and duty to defend the insured against any **suit** seeking those damages. However, we will have no duty to defend the insured against

any **suit** seeking damages for **personal and advertising injury** to which this Coverage does not apply. We may, at our discretion, investigate any offense and settle any **claim** or **suit** that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE AND DEDUCTIBLE (Section III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B, medical expenses under Coverage C, or **loss** under Coverages D-1 or D-2.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to **personal and advertising injury** caused by an offense arising out of your business, but only if the offense was committed in the **coverage territory** during the **policy period**.

2. Exclusions

This insurance does not apply to:

a. **Personal and advertising injury**:

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate that rights of another and would inflict **personal and advertising injury**;
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the **policy period**;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**;

- (7) Arising out of that failure of goods, products or services to conform with any statement of quality or performance made in your **advertisement**;
- (8) Arising out of the wrong description of the price of goods, products or services stated in your **advertisement**;
- (9) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to Paragraphs 21.a., b. and c. of **personal and advertising injury** under SECTION VI - DEFINITIONS;
- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage migration, release or escape of **pollutants** at any time;
- (11) Arising out of the actual, alleged or threatened exposure of persons or property to any radioactive matter;
- (12) Arising out of the presence, ingestion or inhalation of, or exposure to, asbestos in any form or products containing asbestos;
- (13) Arising out of the presence, ingestion or inhalation or absorption of, or exposure to, lead in any form or products containing lead;
- (14) To:
 - (a) A person arising out of any:
 - (i) Refusal to employ that person;
 - (ii) Termination of that person's employment; or
 - (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person.
 - (b) The spouse, child, parent, brother or sister of the person as a consequence of **bodily injury** to that person at whom any of the employment-related practices described in paragraphs (i), (ii), or (iii) above is directed.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
 - (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury;
- (15) Arising out of the rendering or failure to render any **professional services** by or for you.
- b. Any loss, cost or expense arising out of any:
- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (2) **Claim** or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of **pollutants**.
- c. Any **claim** or part thereof which may be alleged as covered under this Coverage of this Policy, if we have accepted coverage or coverage has been held to apply for such **claim** under any other Coverage in this Policy.

COVERAGE C. - MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for **bodily injury** caused by an accident:
- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:
- (i) The accident takes place in the **coverage territory** and during the **policy period**;
 - (ii) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (iii) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral service.

2. Exclusions

We will not pay expenses for **bodily injury**:

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an **employee** of any insured, if benefits for the **bodily injury** are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the **products - completed operations hazard**.
- g. Excluded under Coverage A.
- h. (1) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**;
- (2) For any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (b) Any **claim** or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of **pollutants**.
- i. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

COVERAGE D. - POLLUTION LEGAL LIABILITY

1. Insuring Agreements

COVERAGE D-1 - THIRD PARTY CLAIMS FOR ON-SITE BODILY INJURY OR PROPERTY DAMAGE

- a. We will pay those sums that the insured becomes legally obligated to pay as **loss** because of **claims** in the **coverage territory** for **bodily injury** which takes place while the person injured is on the **insured property**, or for **property damage** to **personal property** of a third-party which takes place while such **personal property** is on the **insured property**. All of the following requirements must be satisfied for this Coverage D-1 to apply:

- (1) The **bodily injury** or **property damage** results from **pollution conditions** on or under the **insured property** and such **pollution conditions** did not commence before the Retroactive Date, if any, shown in the Declarations or after the end of the **policy period**; and
- (2) A **claim** for **bodily injury** or **property damage** is first made against the insured and reported to us, in writing, during the **policy period** or any **extended reporting period** we provide under EXTENDED REPORTING PERIODS (Section V).

A **claim** for **bodily injury** or **property damage** by a person or organization will be deemed to have been made when notice of such **claim** is received and recorded by any insured.

COVERAGE D-2 - THIRD PARTY CLAIMS FOR OFF-SITE BODILY INJURY, PROPERTY DAMAGE OR CLEAN-UP COSTS

- b. We will pay those sums that the insured becomes legally obligated to pay as **loss** because of **claims** in the **coverage territory** for **bodily injury**, **property damage** or **clean-up costs** beyond the boundaries of the **insured property**. All of the following requirements must be satisfied for this Coverage D-2 to apply:

- (1) The **bodily injury**, **property damage**, or **clean-up costs** result from **pollution conditions** on or under the **insured property** which have migrated beyond the boundaries of the **insured property**, and such **pollution conditions** did not

commence before the Retroactive Date, if any, shown in the Declarations or after the end of the **policy period**; and

- (2) A **claim** for **bodily injury** **property damage**, or **clean-up costs** is first made against the insured and reported to us, in writing, during the **policy period** or any **extended reporting period** we provide under EXTENDED REPORTING PERIODS (Section V).

A **claim** for **bodily injury**, **property damage**, or **clean-up costs** by a person or organization will be deemed to have been made when notice of such **claim** is received and recorded by any insured.

DEFENSE

- c. We will have the right and duty to defend any **claim** seeking **loss** to which Coverage D-1 or D-2 applies. However, we will have no duty to defend the insured against any **claim** for **bodily injury**, **property damage**, or **clean-up costs** to which Coverage D-1 or D-2 does not apply. We may, at our discretion, investigate and settle any **claim** that may result. But:

- (1) The amount we will pay for **loss** is limited as described in LIMITS OF INSURANCE AND DEDUCTIBLE (Section III);
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B, medical expenses under Coverage C, or **loss** under Coverage D-1 or D-2;
- (3) Defense costs, charges and expenses are included in **loss**, reduce the applicable limit of insurance as described in Section III., and are included within the Deductible amount shown in Item 4 of the Declarations;
- (4) If the insured refuses to consent to any settlement recommended by us and acceptable to the claimant, our duty to defend the insured shall then cease and the insured shall thereafter negotiate or defend such **claim** independently of us and our liability shall not exceed the amount, less the Deductible or any outstanding Deductible balance, for which the **claim** could have been settled if our recommendation was accepted.

2. **Exclusions - Applicable to Coverages D-1 and D-2**

This insurance does not apply to **claims** or **loss**:

- a. Which may be alleged as covered in whole or in part under this Coverage of this Policy, if we have accepted coverage or if coverage has been held to apply for such **claim** under any other Coverage of this Policy.
- b. Arising from **bodily injury** to an **employee** of the insured or its parent, subsidiary or affiliate arising out of and in the course of employment by the insured or its parent, subsidiary or affiliate.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
 - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- c. Arising from **pollution conditions** existing prior to the inception date of this Policy and not disclosed in the application for this Policy, if any **responsible insured** knew or reasonably could have expected that such **pollution conditions** could give rise to **bodily injury, property damage, clean-up costs**, or a **claim** under this Policy.

This exclusion does not apply to such **pollution conditions** which commenced during the term of a prior Pollution Legal Liability Policy or Coverage issued by us or an insurance company which is a member company of the American International Group, Inc. (hereinafter "affiliate") with substantially the same coverage as this Policy, provided that:

- (1) The insured has maintained Pollution Legal Liability insurance with us or our affiliate on a successive and uninterrupted basis since the commencement of the **pollution conditions**; and
- (2) The insured made full and complete disclosure of such **pollution conditions** on each renewal application for Pollution Legal Liability insurance with us or our affiliate.

However, none of the preceding provisions shall restrict or prevent us or our affiliate where appropriate, from exercising any right to cancel or non-renew either this Policy or the coverage for a particular **insured property**.

- d. Arising as a result of liability of others assumed by the insured under any contract or agreement, unless the liability of the insured would have attached in the absence of such contract or agreement, or the contract or agreement is an **insured contract**.

- e. With respect to Coverage D-2 only, arising from **bodily injury, property damage** or **clean-up costs** on or under **insured property**, whether or not incurred in the course of avoiding or mitigating **bodily injury, property damage** or **clean-up costs** beyond the boundaries of the **insured property**.

Under Coverage D-2, where **pollution conditions** exist both on or under the **insured property**, and also beyond the boundaries of **insured property**, we will pay only for **bodily injury** or **property damage** beyond the boundaries of the **insured property** directly caused by the **pollution conditions**, which have migrated beyond the boundaries of the **insured property**, and **clean-up costs** beyond the boundaries of the **insured property** directly necessitated by the **pollution conditions** which have migrated beyond the boundaries of the **insured property**.

- f. Arising out of the ownership, maintenance, use, operation, **loading or unloading** beyond the boundaries of the **insured property**, of any conveyance.
- g. Arising from **pollution conditions** commencing subsequent to the time an **insured property**, other than a **non-owned location**, is abandoned.
- h. Arising from **pollution conditions** based upon or attributable to any **responsible insured's** intentional, knowing, willful or deliberate noncompliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.
- i. Arising from **pollution conditions** that result from an intentional or illegal act or omission of a **responsible insured** if he or she knew or could have reasonably foreseen that the **pollution conditions** would result.
- j. Arising from the presence of asbestos or any asbestos-containing materials or lead-based paint installed in or applied in, on or to any building or other structure.

k. For costs, charges or expenses incurred by the insured for goods supplied or services performed by the staff or salaried **employees** of the insured, or its parent, subsidiary or affiliate, except if in response to any emergency or pursuant to **environmental laws** which requires immediate remediation of **pollution conditions**, or unless such costs, charges or expenses are incurred with our prior written approval at our sole discretion.

l. For any punitive, exemplary or the multiplied portion of multiplied damages or any civil, administrative or criminal fines, penalties or assessments, except where such damages, fines, penalties or assessments are insurable by applicable law; or any criminal fines, penalties or assessments.

m. By any insured against any other insured.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. We will pay, with respect to any **claim** we investigate or settle, or any **suit** against an insured we defend under Coverages A and B:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the **suit**.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a **suit** and an indemnitee of the insured is also named as a party to the **suit**, we will defend that indemnitee if all of the following conditions are met:

- a. The **suit** against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same **insured contract**;
- d. The allegations in the **suit** and the information we know about the **occurrence** are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of the indemnitee against such **suit** and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the **suit**;
 - (b) Immediately send us copies of any demands notices, summonses or legal papers received in connection with the **suit**;
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the **suit**; and
 - (b) Conduct and control the defense of the indemnitee in such **suit**.

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee,

necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b .(2) of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages), such payments will not be deemed to be damages for **bodily injury** and **property damage** and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph 2f. above, are no longer met.

SELECTION OF COUNSEL - APPLICABLE TO COVERAGES A, B, D-1 and D-2

In the event the insured is entitled by law to select independent counsel to defend a **suit** at our expense, the attorney fees and all other litigation expenses we must pay to that counsel are limited to the rates we actually pay to counsel we retain in the ordinary course of business in the defense of similar **claims** or **suits** in the community where the **claim** or **suit** arose or is being defended.

Additionally, we may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **claims** or **suits** similar to the one pending against the insured and to require such counsel to have errors and omissions insurance coverage. As respects any such counsel, the insured agrees that counsel will timely respond to our requests for information regarding the **claim** or **suit**.

Furthermore, the insured may at any time, by the insured's signed consent, freely and fully waive these rights to select independent counsel.

SECTION II - WHO IS AN INSURED

1. Under Coverages A, B and C, if you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership or joint venture, you are an insured. Your **executive officers** and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Under Coverages A, B and C, each of the following is also an insured:
 - a. Your **employees**, other than either your **executive officers** (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** is an insured for:

(1) **Bodily injury or personal and advertising injury:**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-**employee** while that co-**employee** is either in the course of his or her employment or while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-**employee** as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) **Property damage** to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical

control is being exercised for any purpose by

you, any of your **employees**, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your **employee**) or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Under Coverages A, B and C, with respect to **mobile equipment** registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. **Bodily injury** to a co-**employee** of the person driving the equipment; or
 - b. **Property damage** to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Under Coverages A, B and C, any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the

organization or the end of the **policy period**, whichever is earlier;

- b. Coverage A does not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to **personal and advertising injury** arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.
5. Under Coverages D-1 and D-2, each of the following is an insured:
- a. The Named Insured designated in the Declarations;
 - b. Any director, officer, partner or **employee** of the Named Insured for acts within the scope of his or her duties as such; and
 - c. Any person or entity designated as an additional insured by an endorsement issued to form a part of this Policy.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made or **suits** brought; or
 - c. Persons or organizations making **claims** or bringing **suits**.
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of **bodily injury** or **property damage** included in the **products-completed operations hazard**;
 - c. Damages under Coverage B; and
 - d. **Loss** under Coverages D-1 or D-2.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of **bodily injury** and **property**

damage included in the **products-completed operations hazard**.

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all **personal and advertising injury** sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C

because of all **bodily injury** and **property damage** arising out of any one **occurrence**.

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of **property damage** to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of **bodily injury** sustained by any one person.
8. Subject to 2. above, the Each Loss Limit is the most we will pay under Coverages D-1 or D-2 in excess of the Deductible amounts stated in Item 4 of the Declarations, for all **loss** because of **bodily injury**, **property damage** or **clean-up costs** arising out of the same, related, or continuous **pollution conditions**. If a **claim** for **bodily injury**, **property damage**, or **clean-up costs** is first made against the insured and reported to us during the **policy period** in accordance with Section IV.2. of this Policy, all **claims** for **bodily injury**, **property damage** or **clean-up costs** arising from the same, related or continuous **pollution conditions** which are first made against the insured and reported under a subsequent Pollution Legal Liability policy or coverage issued by us or our affiliate providing substantially the same coverage as this Policy, shall be deemed to have been first made against the insured and reported to us during this **policy period**.

Coverage under this Policy for such subsequent **claims** shall not apply, however, unless at the time such **claims** are first made and reported, the insured has maintained with us or our affiliate

Pollution Legal Liability coverage substantially the same as this coverage on a continuous, uninterrupted basis since the first such **claim** was made against the insured and reported to us.

If the same, related or continuous **pollution conditions** result in coverage under more than one coverage section of this Policy, the highest applicable Deductible under such Coverages shall apply.

9. The Limits of Insurance apply in excess of the Deductible amount shown in Item 4.a. of the Declarations for Coverage D-1 and the Deductible amount shown in Item 4.b. of the Declarations for Coverage D-2. The Deductible amount applies to each **loss** under Coverage D-1 or D-2. You shall promptly reimburse us for advancing any portion of **loss** falling within the Deductible.
10. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declarations, unless the **policy period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or that of the insured's estate will not relieve us of our obligations under this Policy.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

Applicable to Coverages A, B and C

- a. You must see to it that we are notified as soon as practicable in writing of an **occurrence** or offense which may result in a **claim**. Notice should include:
 - (1) How, when and where the **occurrence** or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the **occurrence** or offense.

Notice to a broker or independent insurance agent does not constitute notice to us.

- b. If a **claim** is received by any insured, you must see to it that we receive prompt notice of the **claim**. If notice is given verbally, you must confirm such notice to us in writing as soon as practicable, but not later than sixty (60) days from the date you received the **claim**.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **claim** or a **suit**;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the **claim** or **suit**; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. All Notices shall be made in writing and addressed to:

Manager, Pollution Insurance Products Unit
AIG Technical Services, Inc.
Environmental Claims Department
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 201-631-5051

and

Division Attorney - Pollution Legal Liability
American International Specialty Lines Insurance Company
175 Water Street, Twelfth Floor
New York, New York 10038

or other address we substitute in writing.

Applicable to Coverages D-1 and D-2

- f. (1) In the event of a **claim**, the insured shall, notify us in writing as soon as practicable and in any event during the **policy period** or **extended reporting period**.

The insured shall furnish information at our request. When a **claim** has been made, the insured shall forward to us as soon as practicable after receipt, or receipt by the insured's representative or agent, the following:

- (a) All correspondence between the insured and any third-party claimant;
 - (b) All demands, summonses, notices or other processes or papers filed with a court of law, administrative agency or an investigative body;
 - (c) All technical reports, laboratory data, field notes or any other documents generated by persons the insured has hired to investigate or remediate **pollution conditions**;
 - (d) All expert reports, investigations and data collected by experts the insured has retained, whether or not you intend to use the material for any purpose; and
 - (e) Any other information the insured has developed or discovered concerning the **claim**, whether or not the insured deems such information to be relevant to the **claim**.
- (2) In the event of **pollution conditions**, the insured shall give notice of such **pollution conditions** as soon as practicable and such notice shall include, at a minimum, information sufficient to identify the Named Insured, the **insured property**, the names of persons with knowledge of the **pollution conditions** and all known and reasonably obtainable information regarding the time, place, cause, nature of and other circumstances of the **pollution conditions**. Written notice shall be made on a notice of loss form supplied by us.
- (3) (a) If during the **policy period**, the insured first becomes aware of **pollution conditions** which it reasonably expects may result in a **claim** under Coverage D-1 or D-2, the insured may provide written notice to us during the **policy period** containing all the information required by Subparagraph (3)(b) below. Any **claim** subsequently made against the insured and reported to us within five

(5) years after the end of the **policy period**, or the policy period of any continuous, uninterrupted renewal of this Policy, shall be deemed to have been first made and reported during the **policy period**. Such **claim** shall be subject to the terms, conditions and limits of coverage of this Policy.

(b) It is a condition precedent to the coverage afforded by Subparagraph (3)(a) above that the written notice contain all of the following information: (i) the cause of the **pollution conditions**; (ii) the **insured property** upon which the **pollution conditions** took place; (iii) the **bodily injury, property damage or clean-up costs** which have resulted or may result from such **pollution conditions**; (iv) the insured(s) which may be subject to the **claim** and any potential claimant(s); (v) all engineering information available on the **pollution conditions** and any other information that we deem reasonably necessary; and (vi) the circumstances by which and the date the insured first became aware of the potential **claim**.

(4) All notices under this Section IV.2.f. shall be made in writing and addressed to:

Manager, Pollution Insurance Products Unit
AIG Technical Services, Inc.
Environmental Claims Department
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 201-631-5051

and

Division Attorney - Pollution Legal Liability
American International Specialty Lines Insurance Company
175 Water Street, Twelfth Floor
New York, New York 10038

or other address we substitute in writing.

Notice to a broker or independent insurance agent does not constitute notice to us.

(5) No costs, charges or expenses shall be incurred in the defense or investigation of **claims** without our consent, which shall not be unreasonably withheld. No insured will, except at its own cost, voluntarily enter into a settlement,

make a payment, assume any obligation, or incur any expense, other than for first aid or in response to an emergency or pursuant to state law requiring immediate remediation of **pollution conditions**, without our consent, which shall not be unreasonably withheld.

3. Legal Action Against Us

Applicable to Coverages A, B and C

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a **suit** asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

Applicable to Coverages D-1 and D-2

No action shall lie against us, unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and us.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by the Policy. No person or organization shall have any right under this Policy to join us as a party to any action against the insured to determine the insured's liability, nor shall we be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve us of any of our obligations hereunder.

4. Other Insurance

Applicable to Coverages A and B

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A

or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for **property damage** to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any **suit** if any other insurer has a duty to defend the insured against that **suit**. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Policy.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Applicable to Coverages D-1 and D-2

If other valid and collectible insurance is available to the insured for **loss** covered under the terms and conditions of Coverages D-1 or D-2, our obligation to the insured shall be as follows:

- d. (1) This insurance is primary, and our obligations are not affected unless any of the other insurance is also primary. In that case, we will share with all such other insurance by the method described in Subparagraph (2) below.
- (2) If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

You shall promptly upon our request provide us with copies of all policies potentially applicable to **loss** covered by Coverages D-1 or D-2.

5. **Premium Audit**

- a. We may examine and audit your books and records as they relate to this Policy at any time during the **policy period** and up to three years afterward.
- b. We will compute all premiums for this Policy in accordance with our rules and rates.
- c. Premium shown in this Policy as advance Premium is a deposit premium only. At the premium close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- d. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. **Representations**

By accepting this Policy, you agree:

- a. The statements in the Declarations and application for this Policy are accurate and complete;
- b. Those statements are based upon representations you made to us;
- c. We have issued this Policy in reliance upon your representations; and
- d. This Policy embodies all agreements existing between the insured and us or any of our agents relating to this insurance.

7. **Separation of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom **claim** is made or **suit** is brought.

8. **Sole Agent**

The Named Insured first listed in Item 1 of the Declarations shall act on behalf of all other insureds, if any, for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of

cancellation or nonrenewal, and the exercise of the rights provided in **EXTENDED REPORTING PERIOD** (Section V.).

9. **Assignment**

This Policy may not be assigned without our prior written consent. Assignment of interest under this Policy shall not bind us until our consent is endorsed thereon.

10. **Changes**

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop us from asserting any rights under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

11. **Transfer of Rights of Recovery Against Others to Us**

Applicable to Coverages A, B and C

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring **suit** or transfer those rights to us and help us enforce them.

Applicable to Coverages D-1 and D-2

If the insured has rights to recover all or part of any payment we have made under Coverage D-1 or D-2, those rights are transferred to us. The insured must do nothing after loss to impair them. The insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights including without limitation, assigning its rights against any person or organization who caused **pollution conditions** on account of which we made any payment under Coverage D-1 or D-2. Any recovery as a result of subrogation proceedings arising out of the payment of **loss** covered under this Policy shall accrue first to the insured to the extent of any payments in excess of the limit of coverage; then to us to the extent of our payment under the Policy; and then to the insured to the extent of its Deductible. Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery.

12. Cancellation

This Policy may be cancelled by the first Named Insured by surrender thereof to us or any of our authorized agents or by mailing to us written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by us only for the reasons stated below by mailing to the first Named Insured at the address shown in the Policy, written notice stating when not less than 60 days (10 days for nonpayment of premium) thereafter such cancellation shall be effective. Proof of mailing of such notice shall be sufficient proof of notice.

- a. Material misrepresentation by the insured;
- b. The insured's failure to comply with the terms, conditions or contractual obligations under this Policy, including failure to pay any Deductible when due;
- c. Failure to pay any premium when due;
- d. A change in operations at an **insured property** during the **policy period** which materially increases a risk covered under this Policy.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by the first Named Insured or by us shall be equivalent to mailing. If the first Named Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

13. When We Do Not Renew

If we decide not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

14. Change in Reference

In any endorsement to this policy, any references to "COMMERCIAL GENERAL LIABILITY COVERAGE PART" shall be deemed to be replaced with the following reference: "COMMERCIAL GENERAL LIABILITY AND POLLUTION LEGAL LIABILITY COVERAGES FORM".

15. **Service of Suit** - It is agreed that in the event of our failure to pay any amount claimed to be due hereunder, of the Company, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Legal Department, American International Specialty Lines Insurance Company, 70 Pine Street, New York, N.Y. 10270, or his or her representative, and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designate the Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of **Insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

16. Our Rights and Your Duties in the Event of Pollution Conditions (Applicable to Coverages D-1 and D-2)

We shall have the right but not the duty to clean up or mitigate **pollution conditions**, upon receiving notice as provided in Section IV.2., of this Policy. In the case of the exercise of this right, you, upon our demand, shall promptly reimburse us for any element of **loss** we advance falling within the Deductible pursuant to Section III. You shall have the duty to clean up **pollution conditions** to the extent required by **environmental laws**, by retaining competent professional(s) or contractor(s) mutually acceptable to you and us. We shall have the right but not the duty to review and approve all aspects of any such cleanup. You shall notify us of

actions and measures taken pursuant to this paragraph.

17. Cooperation (Applicable to Coverages D-1 and D-2)

The insured must cooperate with us and offer all reasonable assistance in the investigation and defense of **claims**. We may require that the insured submit to examination under oath, and attend hearings, depositions and trials. In the course of investigation or defense, we may require written statements or the insured's attendance at meetings with us. The insured must assist us in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses.

18. Right of Access and Inspection

Our authorized representatives shall have the right and opportunity, but not the obligation, when we so desire, to interview persons employed by the insured and to inspect at any reasonable time, during the **policy period** or thereafter, the **insured property** and all improvements, structures, products, ways, works, machinery and appliances thereon; but neither we nor our representatives shall assume any responsibility or duty to the insured or to any other party, person or entity, by reason of such right or inspection. Neither our right to make inspections, sample and monitor, nor the actual undertaking thereof nor any report thereon shall constitute an undertaking on behalf of the insured or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practices or are in compliance with any law, rule or regulation. You agree to provide appropriate personnel to assist our representatives during any inspection.

19. Access to Information (Applicable to Coverages D-1 and D-2)

You agree to provide to us any and all information developed or discovered by the insured concerning **clean-up costs** for **pollution conditions** covered under this Policy, whether or not deemed by the to be relevant to such **clean-up costs**, and to provide us free access to interview any insured and review any documents of the insured.

20. Concealment or Fraud (Applicable to Coverages D-1 and D-2)

Coverages D-1 and D-2 shall be void if, whether before or after **cleanup costs** are incurred or a

claim is first made, you have willfully concealed or misrepresented any fact or circumstance material to the granting of such coverages, the description of the **insured property**, or the interest of the insured therein.

SECTION V - EXTENDED REPORTING PERIOD - COVERAGES D-1 AND D-2

1. We will provide an automatic limited **extended reporting period** as described in paragraph 3 or, if you purchase it, an optional forty (40) month **extended reporting period** as described in paragraph 4, only upon termination of coverage as defined in paragraph 5 for any reason except non-payment of premium.
2. If we provide an **extended reporting period**, the following is added to the end of paragraph 1.a. of Section I - Coverage D-1 and paragraph 1.b. of Section I - Coverage D-2:

A **claim** first made and reported during the **extended reporting period** will be deemed to have been made on the last day of the **policy period**, provided that the **claim** arises from **pollution conditions** that commenced before the end of the **policy period** (but not before any applicable Retroactive Date).

The **extended reporting period** will not reinstate or increase the Limits of Insurance or extend the **policy period**.

3. The automatic limited **extended reporting period** will be sixty (60) days from termination of coverage as defined in paragraph 5 for all **insured property**.

This automatic limited **extended reporting period** applies only if no subsequent insurance you purchase applies to the **claim**, or would apply but for the exhaustion of its applicable limits of insurance. The automatic limited **extended reporting period** in its entirety shall not apply if the optional **extended reporting period** becomes effective.

The automatic limited **extended reporting period** may not be cancelled.

4. If you purchase the optional **extended reporting period** Endorsement, the **extended reporting period** will be forty (40) months from termination of coverage as defined in paragraph 5 for all **insured property**. We will issue that Endorsement if the first Named Insured shown in the Declarations:

- a. Makes a written request for it which we receive within thirty (30) days after termination of coverage as defined herein; and
- b. Promptly pays the additional premium when due.

This optional **extended reporting period** Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be cancelled, provided that all other terms and conditions of the policy are met.

- 5. Termination of coverage occurs:
 - a. At the time of cancellation or nonrenewal of this Policy by you or by us;
 - b. At the time of the deletion of an **insured property** from this Policy by us; or
 - c. At the time an **insured property** is sold, leased, given away, or abandoned or for which operational control has been relinquished by you.
- 6. The premium for the optional **extended reporting period** Endorsement will not exceed 200% of the annual premium and will be fully earned when the Endorsement takes effect.

SECTION VI - DEFINITIONS

- 1. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.
- 2. **Auto** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include **mobile equipment**.
- 3. **Bodily injury** means, with respect to Coverages A, B, and C, bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

Bodily injury means, with respect to Coverages D-1 and D-2, physical injury, or sickness, disease, mental anguish or emotional distress sustained by any person, including death resulting therefrom.
- 4. **Claim** means a written demand received by the insured seeking a remedy and alleging liability or responsibility on the part of the insured for compensatory damages under Coverage A or B, or **loss** under Coverage D-1 or D-2. **Claim** includes a **suit**.

- 5. **Clean-up costs** means expenses, including reasonable and necessary legal expenses incurred with our written consent, incurred in the investigation, removal, remediation or disposal of soil, surfacewater, groundwater or other contamination:
 - a. Which have been incurred by the government or any political subdivision of the United States of America, any state thereof, or Canada or any province thereof; or by a third party; or
 - b. To the extent required by **environmental laws**, or specifically mandated by court order, the government or any political subdivision of the United States of America, any state thereof, or Canada or any province thereof, duly acting under the authority of **environmental laws**.

- 6. **Coverage territory** means:

Applicable to Coverages A, B and C

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a **suit** on the merits, in the territory described in a. above or in a settlement we agree to.

Applicable to Coverages D-1 and D-2

- d. **Claims** arising from **pollution conditions** in the United States, its territories or possessions or Canada and only if such **claims** are made or brought in the United States, its territories or possessions or Canada.
- 7. **Employee** includes a **leased worker**. **Employee** does not include a **temporary worker**.

8. **Environmental laws** means any applicable federal, state, provincial or local law pursuant to which you have or may have a legal obligation to incur **clean-up costs**.
9. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. **Extended reporting period** means either the automatic additional period of time or the optional additional period of time, whichever is applicable, in which to report **claims** following termination of coverage, as described in Section V. of this Policy.
11. **Hostile Fire** means one which becomes uncontrollable or breaks out from where it was intended to be.
12. **Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:
- It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - You have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - The repair, replacement, adjustment or removal of **your product** or **your work**; or
 - Your fulfilling the terms of the contract or agreement.
13. **Insured contract** means:
- A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
 - A sidetrack agreement;
 - Any easement or license agreement, except in connection with construction or demolition operations on or within fifty (50) feet of a railroad;
 - An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within fifty (50) feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for any injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering services.
14. **Insured property** means:
- With respect to Coverage D-1, each of the locations identified in Item 6.a. of the Declarations;
 - With respect to Coverage D-2, each of the locations identified in Item 6.b. of the Declarations; and
 - With respect to both Coverages D-1 and D-2, **non-owned locations**.
15. **Leased worker** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.

16. **Loading or unloading** means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**;
- b. While it is in or on an aircraft, watercraft or **auto**; or
- c. While it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;

but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.

17. **Loss**, as used in Coverages D-1 and D-2, means:

- a. Monetary awards or settlements of compensatory damages arising from **bodily injury** or **property damage**;
- b. Costs, charges and expenses incurred in the defense, investigation or adjustment of **claims** for such compensatory damages or for **cleanup costs**;
- c. **Clean-up costs**.

18. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building

cleaning, geophysical exploration, lighting and well servicing equipment; or

- (2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- (1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing;
- (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressor, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

19. **Non-owned location** means each of the locations, neither owned nor operated by the Named Insured, identified as a Non-Owned Covered Location in Item 6.c. or 6.d. of the Declarations.

20. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

21. **Personal and advertising injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy.

- f. The use of another's advertising idea in your **advertisement**; or
- g. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.
22. **Personal property** means any property other than real property and whatever is erected or growing upon or affixed to real property.
23. **Policy period** means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of:
- Cancellation of this Policy; or
 - With respect to **insured property**:
 - the deletion of such location(s) from this Policy by the Company; or
 - except with respect to **non-owned locations**, the sale, leasing, giving away, abandonment or relinquishing of operational control of any **insured property**.
24. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
25. **Pollution conditions** means the discharge, dispersal, release or escape of **pollutants** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment.
26. a. **Products - completed operations hazard** includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
- Products that are still in your physical possession; or
 - Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - When all of the work called for in your contract has been completed.
 - When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. **products-complete operations hazard** does not include **bodily injury** or **property damage** arising out of:
- The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created **loading or unloading** of that vehicle insured;
 - The existence of tools, uninstalled ment or abandoned or unused materi
 - Products or operations for which classification listed in the Declaration a policy schedule, states that pro completed operations are subject General Aggregate Limit.
27. **Professional services** includes the following services:
- The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
 - Supervisory, inspection or engineering services; and
 - Testing, evaluation, consultation or advice.
28. **Property damage** means, with respect to Coverages A and B:
- Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it,
- Property damage** means, with respect to Coverages D-1 and D-2:

- c. Physical injury to or destruction of tangible property of parties other than the insured including the resulting loss of use or value thereof; or
- d. Loss of use of, but not loss of value, tangible property of parties other than the insured that has not been physically injured or destroyed.

Property damage does not include **clean-up costs**.

- 29. **Responsible insured** means any **employee** of the Named Insured responsible for environmental affairs, control or compliance, or any manager, supervisor, officer, director or partner of the Named Insured.
- 30. **Suit** means a civil proceeding in which damages because of **bodily injury, property damage, personal and advertising injury or clean-up costs** to which this insurance applies are alleged. **Suit** includes:
 - a. An arbitration proceeding in which such damages or **clean-up costs** are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages or **clean-up costs** are claimed and to which the insured submits with our consent.
- 31. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.
- 32. **Your product** means:
 - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
- b. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

33. **Your work** means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
- b. The providing of or failure to provide warnings or instructions.

The remainder of this page has been intentionally left blank. Policy Signature Page shall immediately follow.

POLICY SIGNATURE PAGE

This Policy Signature Page,
forms a part of Policy No: EG 1721283

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.

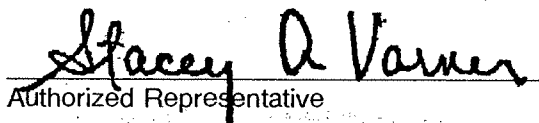


Secretary
American International Specialty
Lines Insurance Company



President
American International Specialty
Lines Insurance Company

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the Policy.



Authorized Representative



FARMERS

Susan Utay, CCLS
Environmental Claims
8424A Santa Monica Blvd. #179
Los Angeles, CA 90069
323-654-5049-relephone
323-650-2817-facsimile
susan.utay@farmersinsurance.com

VIA CERTIFIED MAIL AND FACSIMILE 310-277-2576

May 9, 2006

Richard E. Williamson
Ezer Williamson & Brown LLP
1888 Century Park East, Suite 1550
Los Angeles, CA 90067-1720

Insured/Your Client: Sam Adlen
Policy: N18230010
Claim: TBD
Prior Claim: CM 000064
Claimant: EPA; NHOU Site
Insured Property: 11590 Tuxford St. Sun Valley, CA

Dear Mr. Williamson:

Truck Insurance Exchange has received notice of the captioned matter. Truck is in the process of locating policy and file information and reviewing the material provided. Please direct further information and inquiries to the undersigned. We understand that you have also sent notice of this claim to other insurers that issued policies to Mr. Adlen.

In agreeing to investigate this claim, Truck is not acknowledging coverage under any policies that might be applicable. Truck reserves all of its rights under the terms, exclusions, and conditions of any insurance policy that it may have issued to Sam Adlen.

While Truck investigates this matter, we expect you to take all steps necessary to protect your client's interests. If Truck decides to defend your client, Truck will reimburse all fees and costs reasonably and necessarily incurred in that defense from the date this matter was tendered to Truck at Truck's usual rate for similar litigation. However, if Truck concludes that a defense should be provided and other carriers are participating, Truck will then reimburse its share of the fees and costs reasonably and necessarily incurred in the defense from the date this matter was tendered to Truck at Truck's usual rate for similar litigation.

If you have any questions about this, please feel free to call me.

Sincerely,

TRUCK INSURANCE EXCHANGE

A handwritten signature in cursive script that reads "Susan Utay".

Susan Utay, CCLS
Environmental Claims Specialist

ENDORSEMENT NO. 1

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPREHENSIVE POLLUTION EXCLUSION ENDORSEMENT
INCLUDING PRODUCTS-COMPLETED OPERATIONS, YOUR WORK
AND HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGE**

- I. Exclusion g. **Pollution** of Section I - **COVERAGES, Coverage A, Paragraph 2. Exclusions** is deleted in its entirety and replaced by the following:

g. **Pollution**

- (1) **Bodily injury** or **Property damage** which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time;
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of **Pollutants**; or
 - (b) **Claim** or **Suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**.
- (3) This exclusion does not apply to **Bodily injury** or **Property damage** arising out of heat, smoke or fumes from a **Hostile fire** unless that **Hostile fire** occurred:
 - (a) At or from any premises, site or location which is or was at any time used by or for any insured or other for the handling, storage, disposal, processing or treatment of waste; or
 - (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, **Pollutants**.
- (4) This exclusion does not apply to that **Bodily injury** or **Property damage** arising out of **Your product** or **Your work** in conjunction with The **Products-completed operations hazard** and Products-Completed Operations Aggregate Limit, provided:
 - (a) An actual discharge, dispersal, release or escape of **Pollutants** takes place:

- (i) Away from the premises that you own or rent; and
- (ii) Other than from a location used for disposal of waste or other material whether or not lawfully; and
- (b) The **Bodily injury** or **Property damage** occurs during the **Policy period**.
 - (i) All **Bodily injury** caused by continuous or repeated exposure to substantially the same general harmful conditions or substances, which results in progressive, indivisible **Bodily injury** over a period of days, weeks, months or longer, shall be deemed to have occurred solely on the date of first exposure to such conditions or substances.
 - (ii) All **Property damage** caused by continuous or repeated exposure to substantially the same general harmful conditions or substances, which results in progressive, indivisible **Property damage** over a period of days, weeks, months, or longer, shall be deemed to have occurred solely on the date of first exposure to such conditions or substances.
 - (iii) If the date of first exposure is before the inception date of the first Commercial General Liability and Pollution Legal Liability policy we issue to you, or the date of first exposure can not be determined, and the **Bodily injury** or **Property damage** continues during this policy period, then the date of first exposure will be deemed to have occurred only on the inception date of the first Commercial General Liability and Pollution Legal Liability policy we issue to you.

II. Solely with respect to coverage provided by this Endorsement, Section VI - **DEFINITIONS**, Paragraph 28., **Property damage** is deleted in its entirety and replaced with the following:

28. **Property damage** means, with respect to **Coverages A** and **B**:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **Occurrence** that caused it.
- c. Loss, cost or expense arising out of the testing, monitoring, cleanup, removal, containment, treatment, detoxification, neutralization or other response to or assessment of the effect of **Pollutants**.

Property damage means, with respect to **Coverages D-1** and **D-2**:

- d. Physical injury to or destruction of tangible property of parties other than the insured including the resulting loss of use or value thereof; or
- e. Loss of use, but not loss of value, of tangible property of parties other than the insured that has not been physically injured or destroyed.

Property damage does not include **Clean-up costs**.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 2

This endorsement, effective 12:01 AM: February 11, 2006

Forms a part of policy no.: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Coverage	SCHEDULE		Amount and Basis of Deductible	
	Per Claim	or	Per Occurrence	
Bodily Injury Liability				
Or				
Property Damage Liability				
Or				
Bodily Injury Liability and/or Property Damage Liability Combined				25,000, 5,000

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):- with respect to products and completed operation
with respect to all other

This Endorsement does not apply to Coverage D

1. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
2. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:

ENDORSEMENT NO. 2 (Continued)

- a. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

- 1) Under **Bodily Injury** Liability Coverage, to all damages sustained by any one person because of "bodily injury",
- 2) Under **Property Damage** Liability Coverage, to all damages sustained by any one person because of "property damage", or
- 3) Under **Bodily Injury** Liability and/or **Property Damage** Liability Coverage Combined, to all damages sustained by any one person because of:
 - a. **"Bodily Injury"**,
 - b. **"Property Damage"**, or
 - c. **"Bodily Injury"** and **"property damage"** combined as the result of any one **"occurrence"**.

If damages are claimed for care, loss of services or death resulting at any time from **"bodily injury"**, a separate deductible amount will be applied to each person making a claim for such damages.

With respect to **"property damage"**, person includes an organization.

- b. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- 1) Under **Bodily Injury** Liability Coverage to all damages because of **"bodily injury"**,
- 2) Under **Property Damage** Liability Coverage, to all damages because of **"property damage"**, or
- 3) Under **Bodily Injury** Liability and/or **Property Damage** Liability Coverage Combined, to all damages because of:
 - a. **"Bodily Injury"**,
 - b. **"Property Damage"**, or
 - c. **"Bodily Injury"** and **"property damage"** combined as the result of any one **"occurrence"**, regardless of the number of persons or organizations who sustain damages because of that **"occurrence"**.

3. The terms of this insurance, including those with respect to:

- a. Our right and duty to defend any **"suits"** seeking those damages, and
- b. Your duties in the event of an **"occurrence"**, claim, or **"suit"**

apply irrespective of the application of the deductible amount.

4. We may pay any part or all of the deductible amount to effect settlement of any "claim" or **"suit"** and upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

All other terms, conditions and exclusions remain the same.

**Authorized Representative
or countersignature (where required by law)**

ENDORSEMENT NO. 3

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT ADDS ACCIDENT INSURANCE

ACCIDENT INSURANCE ENDORSEMENT

The Policy is amended as follows:

I. ACCIDENT INSURANCE DECLARATIONS - The following Declarations are added to the Policy and apply only with respect to the coverage provided by this endorsement:

- (a) **Accident Insurance Effective Date**: Same as Policy Effective Date
- (b) **Classification of Eligible Persons**: All Employees of the Named Insured working at least 30 hours per week.
- (c) **Covered Activity(ies)**: Coverage is provided for **Injury** sustained by a **Covered Person** while the **Covered Person** is actively performing the duties of his or her occupation for the Named Insured
- (d) **Principal Sum Amount** (per **Covered Person**): \$50,000
- (e) **Severe Burn Maximum Amount**: \$10,000
- (f) **Accident Insurance Aggregate Limit**: \$500,000 per accident

Words and phrases that appear in bold face print in this endorsement have special meaning within this endorsement. Refer to the Accident Insurance Declarations above and the definitions section below.

THIS ENDORSEMENT PROVIDES ACCIDENT ONLY COVERAGE. IT DOES NOT COVER SICKNESS OR DISEASE.

II. ACCIDENT INSURANCE - The following Accident Insurance Coverage is added to the Policy. The provisions hereunder apply only with respect to the Accident Insurance provided by this endorsement:

A. ACCIDENT INSURANCE INSURING AGREEMENT

We will pay a benefit to the **Covered Person** (or, in the event of death, to the **Covered Person's** beneficiary) if that **Covered Person** suffers a loss covered under this endorsement arising from an **Injury** that results from an accident that occurs on or after the **Accident Insurance Effective Date** and during a **Covered Activity**. The **Principal Sum Amount**, **Severe Burn Maximum Amount** and the **Covered Activity(ies)** applicable to each **Covered Person** are set out in the **Schedule**. The benefit amount payable is subject to the Accident Insurance Reduction Schedule found below.

- 1. **Accidental Death Benefit**. If **Injury** to a **Covered Person** results in death within 365 days of the date of the accident that caused the **Injury**, we will pay 100% of the **Principal Sum Amount**.
- 2. **Accidental Dismemberment Benefit**. If **Injury** to a **Covered Person** results, within 365 days of the date of the accident that caused the **Injury**, in that **Covered Person** suffering any of the losses specified below, the benefit we will pay will be based upon the indicated percentage of the **Principal Sum Amount** shown below for that loss:

<u>For Loss of:</u>	<u>percentage of Principal Sum Amount payable</u>
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot	100%
One Hand and the Sight of One Eye	100%
One Foot and the Sight of One Eye	100%
Speech and Hearing in Both Ears	100%
One Hand or One Foot	50%
Sight of One Eye	50%
Speech or Hearing in Both Ears	50%
Hearing in One Ear	25%
Thumb and Index Finger of Same Hand	25%

Loss of a hand or foot means complete severance through or above the wrist or ankle joint. Loss of sight of an eye means total and irrecoverable loss of the entire sight in that eye. Loss of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. Loss of speech means total and irrecoverable loss of the entire ability to speak. Loss of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

If more than one loss is sustained by a **Covered Person** as a result of the same accident, only one amount, the largest, will be paid.

3. **Severe Burn Benefit.** If a **Covered Person** suffers a **Severe Burn**, we will pay a benefit to that **Covered Person**. The amount of the benefit payable is explained below and will be based on the Percentage of Severe Burn Maximum Amount shown below with respect to the applicable **Specified Body Area** burned as shown below:

<u>Specified Body Area</u>	<u>Percentage of Severe Burn Maximum Amount</u>
Face and Neck and Head	99%
Hand and Forearm Below Elbow Joint (Right)	22.5%
Hand and Forearm Below Elbow Joint (Left)	22.5%
Upper Arm Below Shoulder Joint to Elbow Joint (Right)	13.5%
Upper Arm Below Shoulder Joint to Elbow Joint (Left)	13.5%
Torso Below Neck to Shoulder Joints and Hip Joints (Front)	36%
Torso Below Neck to Shoulder Joints and Hip Joints (Back)	36%
Thigh Below Hip Joint to Knee Joint (Right)	9%
Thigh Below Hip Joint to Knee Joint (Left)	9%
Foot and Lower Leg Below Knee Joint (Right)	27%
Foot and Lower Leg Below Knee Joint (Left)	27%

The benefit amount payable under the **Severe Burn Benefit** will be determined as follows:

- a. If only one of the **Covered Person's** Specified Body Areas described above is **Severely Burned** in an accident and 100% of the surface of that Specified Body Area is **Severely Burned**, the benefit payable is 100% of the Percentage of **Severe Burn Maximum Amount** shown for that Specified Body Area.

(For example: The Percentage of **Severe Burn Maximum Amount** shown for the "foot and lower leg below knee joint (right)" Specified Body Area is 27%. If 100% of the surface of that Specified Body Area is **Severely Burned**, the benefit payable is 100% of 27%, or 27%, of the **Severe Burn Maximum Amount**.)

- b. If only one of the **Covered Person's** Specified Body Areas described above is **Severely Burned** in an accident and a lesser proportion of the surface of that Specified Body Area is **Severely Burned**, the benefit payable is that same lesser proportion of the Percentage of **Severe Burn Maximum Amount** shown above for that Specified Body Area.

(For example: The Percentage of **Severe Burn Maximum Amount** shown for the "foot and lower leg below knee joint (right)" Specified Body Area is 27%. If 50% of that surface is **Severely Burned**, the benefit payable is 50% of 27%, or 13.5%, of the **Severe Burn Maximum Amount**. If 1/3 of that surface is **Severely Burned**, the benefit payable is 1/3 of 27%, or 9%, of the **Severe Burn Maximum Amount**.)

- c. If more than one of the **Covered Person's** Specified Body Areas described above is **Severely Burned** as a result of the same accident, the benefit payable is the lesser of: (1) the sum of the benefit amounts calculated separately, according to the above rules, with respect to each such Specified Body Area; or (2) 100% of the **Severe Burn Maximum Amount**.

The determination of whether or not a Specified Body Area described above is **Severely Burned**, and what proportion of its surface is **Severely Burned**, must be made by a **Physician**. We retain the right, at our own expense, to have the determination verified by a **Physician** of our choice.

B. ACCIDENT INSURANCE EXCLUSIONS

No coverage shall be provided under this endorsement and no payment shall be made for any loss resulting in whole or in part from, or contributed to by, or as a natural and probable consequence of any of the following excluded risks even if the proximate or precipitating cause of the loss is an accidental bodily injury:

- suicide or any attempt at suicide or intentionally self-inflicted Injury or any attempt at intentionally self-inflicted Injury or any act of autoeroticism.
- sickness or disease, or mental incapacity or bodily infirmity whether the loss results directly or indirectly from any either of these.
- the **Covered Person's** commission of or attempt to commit a felony crime.
- declared or undeclared war, or any act of declared or undeclared war regardless of whether the Policy to which this endorsement is attached provides such coverage.
- infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes.
- participation in any team sport or any other athletic activity, except participation in a **Covered Activity**.
- any loss incurred while outside the United States, its territories or Canada.
- full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded).
- travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the **Covered Person** is:
 - * riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or
 - * performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or
 - * riding as a passenger in an aircraft owned, leased or operated by the Named Insured or the **Covered Person's** employer.
- the **Covered Person** being under the influence of intoxicants while operating any vehicle or means of transportation.

- the **Covered Person** being under the influence of drugs unless taken under the advice of and as specified by a **Physician**.
- the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment.
- stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis; aneurysm.
- the **Covered Person** riding in or driving any type of motor vehicle as part of a speed contest or scheduled race, including testing such vehicle on a track, speedway or proving ground.

C. ACCIDENT INSURANCE LIMITATIONS

Accident Insurance Aggregate Limit - The maximum amount payable under the Accidental Death Benefit, Accidental Dismemberment Benefit and Severe Burn Benefit combined may be reduced if more than one **Covered Person** suffers a loss as a result of the same accident. The maximum amount payable for all such losses for all **Covered Persons** will not exceed the amount shown as the **Accident Insurance Aggregate Limit** in the **Schedule**. If the combined maximum amount otherwise payable for all **Covered Persons** must be reduced to comply with this provision, the reduction will be taken by applying the same percentage of reduction to the individual maximum amount otherwise payable for each **Covered Person** for all such losses. The **Accident Insurance Aggregate Limit** is in addition to the Policy's General Aggregate Limit.

Accident Insurance Reduction Schedule - The amount payable for a loss will be reduced if a **Covered Person** is age 70 or older on the date of the accident causing the loss. The amount payable for that **Covered Person's** loss is a percentage of the amount that would otherwise be payable, according to the following schedule:

AGE ON DATE OF ACCIDENT	PERCENTAGE OF AMOUNT OTHERWISE PAYABLE
70-74	65%
75-79	45%
80-84	30%
85 and older	15%

Premium for a **Covered Person** age 70 or older is based on 100% of the coverage that would be in effect if the **Covered Person** were under age 70.

"Age" as used above refers to the age of the **Covered Person** on the **Covered Person's** most recent birthday, regardless of the actual time of birth.

D. ACCIDENT INSURANCE DEFINITIONS

Covered Activity (ies) - means those activities set out as **Covered Activity (ies)** in the **Schedule** with respect to which **Covered Persons** are provided coverage under this endorsement.

Covered Person - means a person: (1) who is a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; and (2) for whom premium has been paid; and (3) while such person's coverage under this endorsement is in force.

Immediate Family Member - means a person who is related to the **Covered Person** in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

Injury - means an injury to the body: (1) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's accident coverage is in force; (2) which occurs under the circumstances described in a **Covered Activity** applicable to that person; and (3) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss under this endorsement.

Physician - means a licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the **Covered Person**; (2) an **Immediate Family Member**; or (3) retained by the Named Insured .

Schedule - means the Accident Insurance Declarations section of this endorsement.

Severe Burn/Severely Burned - means cosmetic disfigurement of the surface of a body area due to an **Injury** that is a full-thickness or third-degree burn, as determined by a **Physician**. (A full-thickness or third-degree burn is the destruction of the skin through the entire thickness or depth of the dermis and possibly into underlying tissues, with loss of fluid and sometimes shock, by means of exposure to fire, heat, caustics, electricity or radiation).

E. ACCIDENT INSURANCE CLAIMS PROVISIONS

Notice of Claim. Written notice of a claim for benefits must be given to us within 60 days after a **Covered Person's** loss, or as soon thereafter as reasonably possible. Notice given by or on behalf of the claimant to us at AIG Claims Services, Accident & Health Division, P.O. Box 15701, Wilmington, DE 19850-5701, with information sufficient to identify the **Covered Person**, is deemed notice to us. Notice of Claim may also be given to us by telephone within the time period above by calling 1-800-551-0824.

Claim Forms. We will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within 15 days after the giving of notice of a claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed herein for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Covered Person's** name, the Named Insured's name and the Policy number.

Proof of Loss. Written proof of loss must be furnished to us within 90 days after the date of the loss. If the loss is one for which this endorsement requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as we may reasonably require. Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.

Payment of Claims. Upon receipt of due written proof of death, payment for loss of life of a **Covered Person** will be made, in equal shares, to the survivors in the first surviving class of those that follow: the **Covered Person's** (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the **Covered Person's** estate.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Covered Person** suffering the loss. If a **Covered Person** dies before all payments due have been made, the amount still payable will be paid as described above for loss of life.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his or her property, a payment not exceeding \$1,000 may be made, at our option, to any relative by blood or connection by marriage of the payee, who, in our opinion, has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment we make in good faith fully discharges our liability to the extent of the payment made.

ENDORSEMENT NO. 3 (Continued)

Time of Payment of Claims. Benefits payable will be paid as soon as possible upon our receipt of a fully completed and properly executed written proof of the loss.

Physical Examination and Autopsy. We at our own expense have the right and opportunity to examine the person of any individual whose loss is the basis of claim hereunder when and as often as we may reasonably require during the pendency of the claim and to make an autopsy in case of death where it is not forbidden by law.

F. ACCIDENT INSURANCE ADDITIONAL PROVISIONS

Premiums. We may change the required premiums due on any premium due date by giving the first Named Insured at least 31 days advance written notice. We may change the required premiums as a condition of any renewal of the coverage under this endorsement. We may also change the required premiums at any time when any coverage change affecting premiums is made in the coverage provided by this endorsement.

Accident Insurance Termination Date. This coverage terminates automatically on the date the Policy terminates. Termination takes effect at 12:01 AM Standard Time at the address of the Named Insured on the date of termination.

We may terminate the coverage provided by this endorsement on any premium due date by giving 30 days advance written notice to the first Named Insured. This coverage terminates automatically on the earlier of: 1) the date the Policy terminates; or 2) the premium due date if premiums for this coverage are not paid when due. Termination takes effect at 12:01 AM Standard Time at the address of the first Named Insured on the date of termination .

Covered Person's Effective Date. A **Covered Person's** coverage under this endorsement begins on the latest of: (1) the **Accident Insurance Effective Date**; (2) the date the person becomes a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule** ; or (3) the date the appropriate premium is paid for the **Covered Person** .

Covered Person Termination Date. A **Covered Person's** coverage under this endorsement ends on the earliest of: (1) the date the Policy is terminated; (2) the date this endorsement is terminated; (3) the premium due date if premiums for this coverage are not paid when due; or (4) the date the **Covered Person** ceases to be a member of any eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**.

Termination of coverage will not affect a claim for a covered loss that occurred while the **Covered Person's** coverage under this endorsement was in force.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 4

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - VIOLATION OF STATUTES IN CONNECTION WITH SENDING,
TRANSMITTING OR COMMUNICATING ANY
MATERIAL OR INFORMATION**

This insurance does not apply to any **bodily injury, property damage, personal and advertising injury, clean-up costs, claim, suit, loss**, cost or expense arising out of or resulting from, caused directly or indirectly, in whole or in part by, any act that violates any statute, ordinance or regulation of any federal, state or local government, including any amendment of or addition to such laws, that includes, addresses or applies to the sending, transmitting or communicating of any material or information, by any means whatsoever.

To the extent any coverage may otherwise be available under this Policy, the provisions of this Exclusion shall supercede the same and exclude such coverage.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 5

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NATURAL RESOURCE DAMAGE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGE FORM**

It is hereby agreed that the following changes are made to the Policy:

1. Section **VI. DEFINITIONS**, Paragraph 28., **Property Damage**, is deleted in its entirety and replaced with the following:

28. **Property damage** means, with respect to Coverages A and B:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

Property damage means, with respect to Coverages D-1 and D-2:

- c. Physical injury to or destruction of tangible property of parties other than the insured including the resulting loss of use or value thereof; or
- d. Loss of use, but not loss of value, of tangible property of parties other than the insured that has not been physically injured or destroyed.

Property damage does not include **clean-up costs** or **natural resource damage**.

2. The following is added to Section **VI. DEFINITIONS**:

Natural resource damage means physical injury to or destruction of, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any state or local government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 6

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

PREMIUM AUDIT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGE FORM

It is hereby agreed that 5. Premium Audit in Section IV., CONDITIONS, is deleted in its entirety:

This policy is not subject to Premium Audit.

All other terms, conditions and exclusions remain the same

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT No. 7

This endorsement, effective 12:01 AM: February 11, 2006

Forms a part of policy no.: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US
- COVERAGES A, B AND C**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY**

SCHEDULE

Name of Person or Organization: WHERE REQUIRED BY A WRITTEN CONTRACT

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV - Conditions) is amended by the addition of the following:

With respect Coverages A, B and C only, we waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "**your work**" done under a contract with that person or organization and included in the "**products-completed operations hazard**." This waiver applies only to the person or organization shown in the Schedule above.

**AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)**

ENDORSEMENT NO. 8

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

COVERAGE A, B, AND C ENHANCEMENT ENDORSEMENT

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS FOR COVERAGES A, B, AND C

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY
POLLUTION LEGAL LIABILITY COVERAGE FORM

SCHEDULE

Name of Person or Organization: WHERE REQUIRED BY A WRITTEN CONTRACT

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

With respect to Coverages A, B, and C, WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT No. 9

This endorsement, effective 12:01 AM: February 11, 2006

Forms a part of policy no.: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

EMPLOYEE BENEFITS LIABILITY INSURANCE
PROVIDES CLAIMS MADE COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

ADDITIONAL DECLARATIONS
LIMIT OF LIABILITY

\$1,000,000	Each Wrongful Act or series of related Wrongful Acts.
\$1,000,000	Each Annual Aggregate

<u>DEDUCTIBLE</u>	
\$1,000	Each Wrongful Act or series of related Wrongful Acts

No. of Employees	0 - 250
Estimated Annual Premium:	\$10,271,890

INSURING AGREEMENTS

EMPLOYEE BENEFITS LIABILITY

We will pay the " **Insured** " for those sums which the " **Insured** " shall become legally obligated to pay as damages because of any claimed against the " **Insured** " due to any " **Wrongful Act** " of the " **Insured** ", or any other person for whose acts the " **Insured** " is legally liable, in the " **Administration** " of the " **Insured's** " " **Employee Benefits Programs** ", as defined in the Definitions section of this policy. This insurance applies only if a claim for damages covered by this endorsement is first made against the " **Insured** " during the policy period. We have the right and duty to defend any suit against the " **Insured** " seeking damages on account of such negligent act, error or omission, even if any of the allegations of the suit are groundless, false or fraudulent, and we may make such investigation and settlement of any claim or suit as we deem expedient.

DEFINITIONS

DEFINITION OF "Insured"

With respect to the insurance afforded by this endorsement the unqualified word " **Insured** " includes the Named Insured, provided that (a) if the Named Insured is designated as an individual, the insurance applies only to the conduct of a business of which he is the sole proprietor and (b) the unqualified word " **Insured** " also includes the following:

- A. If the Named Insured is or includes a partnership or joint venture, any partner or member thereof by only with respect to his liability as such;
- B. Any executive officer, director or stockholder of the Named " **Insured** " while acting within the scope of his duties as such;
- C. Any employee, provided such employee is authorized to act in the " **Administration** " of the Named " **Insured's Employee Benefits Program** ."

DEFINITION OF "Employee Benefits Programs"

The term " **Employee Benefits Programs** "; means (a) group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social benefits, disability benefits, and (b) any other similar employee benefits instituted after the effective date of this endorsement provided we are notified within thirty (30) days after the institution of such benefits.

DEFINITION OF "Administration"

The unqualified word " **administration** " wherever used shall mean:

- A. Giving counsel to employees with respect to the Employee Benefits Programs;
- B. Interpreting the Employee Benefits Program;
- C. Handling of records in connection with the Employee Benefits Programs;
- D. Effective enrollment, termination or cancellation of employees under the " **Employee Benefits Programs** ", provided all are acts which are authorized by the Named " **Insured** ".

DEFINITION OF "Wrongful Act"

" **Wrongful Act** " means any actual or alleged negligent act, error or omission in the " **Administration** " of the Employee Benefits Plan.

EXCLUSIONS

This endorsement does not apply to:

- 1. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;
- 2. Bodily injury to or sickness, disease or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;
- 3. Any claim for failure of performance of contract by an insurer ;
- 4. Any claim based upon the " **Insured's** " failure to comply with any law concerning workmen's compensation, unemployment insurance, social security or disability benefits;
- 5. Any claim based upon:
 - A. failure of any investment(s) including but not limited to stock to perform as represented by an " **Insured** ";

B. advice given by an " **Insured** " to an employee to participate in any investment plan including but not limited to stock subscription plans.

6. All sums which the " **Insured** " shall become legally obligated to pay as loss because of any Breach of Fiduciary Duty (as defined below) or because of any Breach of Fiduciary Duty by any person for which the " **Insured** " is legally responsible and arising out of the " **Insured's** " activity as a fiduciary of any Plan covered by this endorsement. The term, " **Breach of Fiduciary Duty** " shall mean the violation of any of the responsibilities, obligations of duties imposed upon fiduciaries by the EMPLOYEE RETIREMENT INCOME SECURITY ACT of 1974 or amendments thereto with respect to any Plan covered by this endorsement.
7. Any claim made against the " **Insured** " based on or attributable to any failure or omission on the part of the " **Insured** " to effect and maintain insurance or bonding for Plan Property or Assets.

CONDITIONS

LIMITS OF LIABILITY

Regardless of the number of (a) " **Insureds** " under this policy (b) persons who sustain damage or (c) claims made or suits brought for such damages; the limit of liability stated in the ADDITIONAL DECLARATIONS of this endorsement as applicable to each " **Wrongful Act** " or series of related " **Wrongful Acts** " is the limit of our liability for all claims made on account of any " **Wrongful Acts** " or series of related acts by this policy for the period of liability stated in the ADDITIONAL DECLARATIONS as " **Each Annual Aggregate** " is, subject to the above provision, the total limit of our liability for all claims covered during the period this endorsement is in force.

PREMIUM

The premium stated in the ADDITIONAL DECLARATIONS is an estimated premium only. Upon termination of each annual period of this endorsement the " **Insured** ", on request, will furnish us a statement of the total number of employees at the end of the period. The earned premium shall be computed on the average of the number of employees at the end of the coverage period and that stated in the ADDITIONAL DECLARATIONS. If the earned premium thus computed exceeds the estimated premium paid, the " **Insured** " shall pay the excess to us; if less, we shall return to the " **Insured** " the unearned portion paid by such " **Insured** ".

DEDUCTIBLE

The deductible amount indicated in the ADDITIONAL DECLARATIONS shall be subtracted from the total amount of all sums which we are obligated to pay or incur on behalf of the " **Insured** " on account of each occurrence as stated in the ADDITIONAL DECLARATIONS.

The terms of this endorsement including those with respect to notice of claim or suit and our right to investigate and negotiate any such claim or suit, apply irrespective of the application of the deductible amount.

OPTIONAL EXTENDED REPORTING ENDORSEMENT

The coverage under the Employee Benefits Liability Endorsement may end because one of us chooses to cancel it or not renew it. If this is not the result of non-payment of the premium you have the right to buy a reporting endorsement. It extends the time to report covered claims. The claim must first be made against an " **Insured** " and reported to us within 3 years after the Employee Benefits Liability Endorsement ends and while the reporting endorsement is in effect. To obtain this reporting endorsement you must request it in writing and pay this additional premium within 30 days after this agreement ends. If we don't receive written notice and payment within this period, you may not exercise this right at a later date.

We'll sell you this endorsement for the additional premium. This additional premium will not exceed 200% of the annual premium for the Employee Benefits Liability Endorsement. Once you pay the premium we can't cancel the endorsement. We will determine the additional premium taking into account the following:

- a. The exposure " **Insured** ";
- b. Previous types and amounts of insurance;
- c. Limits of liability available under the Employee Benefit Liability Insurance for future payment of damages; and
- d. Other related factors.

The optional Extended Reporting Endorsement does not reinstate or increase the Limits of Liability applicable to any claim to which the Employee Benefits Liability Endorsement applies.

CONFORMITY WITH STATUTE

Terms of this endorsement which are in conflict with the statute of the state wherein this endorsement is issued are hereby amended to confirm to such statutes.

OTHER TERMS OF POLICY

All other conditions, terms and exclusions contained in this policy remain unchanged.

AUTHORIZED REPRESENTATIVE
or countersignature (where required by law)

ENDORSEMENT NO. 10

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION WITH CERTIFIED ACTS OF TERRORISM EXCEPTION PURCHASED
ENDORSEMENT

Pursuant to the requirements of the Terrorism Risk Insurance Act of 2002, the "Act," the **Insured** has been provided notice that the **Insured** may elect to purchase coverage for loss covered under this Policy arising directly or indirectly as a result of a certified "act of terrorism" as defined by Section 102., Definitions, of the Act and any revisions or amendments thereto and the premium charge for such coverage.

After receiving such notice, the **Insured** has elected to purchase the exception for such certified "Acts of Terrorism" to the Terrorism Exclusion. Therefore, any Terrorism Exclusion included in this Policy is deleted and replaced with the following:

The Company has no obligation to make any payment or to provide or to pay for a defense under this Policy due to or arising directly or indirectly as a result of or in connection with **Terrorism** including but not limited to, any contemporaneous or ensuing loss caused by fire, looting, or theft.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

This exclusion does not apply to a certified "Act of Terrorism" defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments. The following Section 102 definition of "Act of Terrorism" from the Terrorism Risk Insurance Act of 2002 applies to this exception:

(1) Act of Terrorism -

(A) Certification. - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States -

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to -

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of -

(I) an air carrier or vessel described in paragraph (5)(B); for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission ;

(II) the premises of a United States mission; and

ENDORSEMENT NO. 10 (Continued)

- (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) Limitation. - No act shall be certified by the Secretary as an act of terrorism if -
 - (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 11

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION - ALL TERRORISM (INCLUDING CERTIFIED ACTS OF TERRORISM)
EXCLUSION ENDORSEMENT

Pursuant to the requirements of the Terrorism Risk Insurance Act of 2002, the "Act," the **Insured** has been provided notice that the **Insured** may elect to purchase coverage for loss covered under this Policy arising directly or indirectly as a result of a certified "act of terrorism" as defined by Section 102. Definitions, of the Act and any revisions or amendments thereto and the premium charge for such coverage.

After receiving such notice, the **Insured** has elected not to purchase coverage for such certified "acts of terrorism" and has agreed to the inclusion of a Terrorism Exclusion. Therefore, this Policy is amended to include the following exclusion:

The Company has no obligation to make any payment or to provide or to pay for a defense under this Policy due to or arising directly or indirectly as a result of or in connection with **Terrorism** including but not limited to, any contemporaneous or ensuing loss caused by fire, looting, or theft.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

The defined term **Terrorism** shall specifically include, but is not limited to, the following definition of a certified "Act of Terrorism" defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments thereto:

(1) Act of Terrorism -

(A) Certification. - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States -

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to -

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of -

(I) an air carrier or vessel described in paragraph (5)(B); for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission ;

(II) the premises of a United States mission; and

ENDORSEMENT NO. 11 (Continued)

- (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) Limitation. - No act shall be certified by the Secretary as an act of terrorism if -
 - (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 12

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION ENDORSEMENT

1. It is hereby agreed that the following exclusion is added to **SECTION I - COVERAGES, COVERAGE B. - PERSONAL AND ADVERTISING INJURY LIABILITY, Subsection 2., Exclusions:**

Arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

2. It is hereby agreed that the following exclusion is added to **SECTION I - COVERAGES, COVERAGE C. - MEDICAL PAYMENTS, Subsection 2., Exclusions:**

Arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

3. It is hereby agreed that the following exclusion is added to **SECTION I - COVERAGES, COVERAGE D. - POLLUTION LEGAL LIABILITY, Subsection 2., Exclusions:**

Arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, factional civil commotion, military or usurped power, rebellion or revolution.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 13

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITION OF PAYMENT ENDORSEMENT

It is hereby agreed that any payment under this Policy shall only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 14

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SUDDEN & ACCIDENTAL BODILY INJURY AND PROPERTY DAMAGE
POLLUTION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGES FORM

It is hereby agreed as follows:

1. **SECTION I - COVERAGES, COVERAGE D - POLLUTION LEGAL LIABILITY, item 1. Insuring Agreements, COVERAGE D-1 - THIRD PARTY CLAIMS FOR ON-SITE BODILY INJURY OR PROPERTY DAMAGE, is deleted in its entirety and replaced with the following:**

COVERAGE D-1 - THIRD-PARTY CLAIMS FOR ON-SITE BODILY INJURY OR PROPERTY DAMAGE

- a. To pay on behalf of the insured, **loss** that the insured becomes legally obligated to pay as a result of **claims** in the **coverage territory** for **bodily injury** or **property damage** resulting from **pollution conditions** on or under an **insured property**, if such **bodily injury** or **property damage** takes place while the person injured or property damaged is on such **insured property**. All of the following requirements must be satisfied for this coverage D-1 to apply:

- (1) The **bodily injury** or **property damage** results from **pollution conditions**, which **pollution conditions** first commence during the **policy period**;
- (2) Such **pollution conditions** commence at an identified time and place during the **policy period**;
- (3) Such **pollution conditions** end, in its entirety, at an identified time no later than seven (7) days after the commencement of the **pollution conditions**;
- (4) The insured reports the **pollution conditions** to us in writing no later than twenty-one (21) business days following the end of the discharge, dispersal, release or escape of **pollutants**;
- (5) Such **pollution conditions** do not originate or arise from, or relate to an **underground storage tank**;
- (6) Such **pollution conditions** are not heat, smoke or fumes from a **hostile fire**;
- (7) Such **pollution conditions** are not a continuation or repetition of another event.

2. **SECTION I - COVERAGES, COVERAGE D - POLLUTION LEGAL LIABILITY, item 1. Insuring Agreements, COVERAGE D-2 - THIRD PARTY CLAIMS FOR OFF-SITE BODILY INJURY, PROPERTY DAMAGE OR CLEAN-UP COSTS, is deleted in its entirety and replaced with the following:**

COVERAGE D-2 - THIRD-PARTY CLAIMS FOR OFF-SITE BODILY INJURY OR PROPERTY DAMAGE

- b. To pay on behalf of the insured, **loss** that the insured becomes legally obligated to pay as a result of **claims** in the **coverage territory** for **bodily injury** or **property damage** resulting from **pollution conditions**, beyond the boundaries of an **insured property**, that migrated from such **insured property**. All of the following requirements must be satisfied for this Coverage D-2 to apply:
- (1) The **bodily injury** or **property damage** results from **pollution conditions**, which **pollution conditions** first commence during the **policy period**;
 - (2) Such **pollution conditions** commence at an identified time and place during the **policy period**;
 - (3) Such **pollution conditions** end, in its entirety, at an identified time no later than seven (7) days after the commencement of the **pollution conditions**;
 - (4) The insured reports the **pollution conditions** to us in writing no later than twenty-one (21) business days following the end of the discharge, dispersal, release or escape of **pollutants**;
 - (5) Such **pollution conditions** do not originate or arise from, or relate to an **underground storage tank**;
 - (6) Such **pollution conditions** are not heat, smoke or fumes from a **hostile fire**;
 - (7) Such **pollution conditions** are not a continuation or repetition of another event.

3. **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE**, item 8. is hereby deleted in its entirety and replaced with the following:

8. Subject to 2. above, the Each Loss Limit is the most we will pay under Coverages D-1 or D-2 in excess of the Deductible amounts stated in Item 4 of the Declarations, for all **loss** because of **bodily injury** or **property damage** arising out of the same, related, or continuous **pollution conditions**. If **pollution conditions** are reported to the Company pursuant to Coverage D-1 or D-2, all **claims** for **bodily injury** or **property damage**, whether or not such **claim** is first made against the insured during the **policy period**, arising from the same, related or continuous **pollution conditions** shall be subject to the terms, conditions, and limits of this Policy solely, whether or not another policy has been issued by the Company or the Company's affiliate. In the event that a **claim** that is otherwise covered under Coverage D-1 or D-2 of this Policy is submitted by the insured to the Company or the Company's affiliate under another policy of insurance and such **claim** is covered in whole or in part by the Company or the Company's affiliate under such other policy of insurance, coverage under Coverage D-1 and D-2 shall not apply.

4. **SECTION IV - CONDITIONS**, item 2. **Duties in the Event of Occurrence, Offense, Claim or Suit, Applicable to Coverages D-1 and D-2**, paragraph f. is hereby deleted in its entirety and replaced with the following:

- f. (1) In the event of a **claim**, the insured shall notify us in writing as soon as possible.

The insured shall furnish information at our request. When a **claim** has been made, the insured shall forward to us as soon as possible after receipt, or receipt by the insured's representative or agent, the following:

- (a) All correspondence between the insured and any third-party claimant;
- (b) All demands, summonses, notices or other processes or papers filed with a court of law, administrative agency or an investigative body;
- (c) All technical reports, laboratory data, field notes or any other documents generated by persons the insured has hired to investigate or remediate **pollution conditions**;

ENDORSEMENT NO. 14 (Continued)

- (d) All expert reports, investigations and data collected by experts the insured has retained, whether or not you intend to use the material for any purpose; and
- (e) Any other information the insured has developed or discovered concerning the **claim**, whether or not the insured deems such information to be relevant to the **claim**.

(2) In the event of **pollution conditions**, the insured shall give notice of such **pollution conditions** in writing to us no later than twenty-one (21) business days following the end of the discharge, dispersal, release or escape of **pollutants** such notice shall include, at a minimum, information sufficient to identify the Named Insured, the premises, the names of persons with knowledge of the **pollution conditions** and all known and reasonably obtainable information regarding the time, place, cause, nature of and other circumstances of the **pollution conditions**. Written notice shall be made on a notice of loss form supplied by us.

(3) All notices under this Section IV.2.f. shall be made in writing and addressed to:

AIG Domestic Claims, Inc.
Pollution Insurance Products Claim Department
101 Hudson St. - 31st Fl.
Jersey City, NJ 07302
Fax number: 866-947-1377

or other address we substitute in writing.

Notice to a broker or independent insurance agent does not constitute notice to us.

(4) No costs, charges or expenses shall be incurred in the defense or investigation of **claims** without our consent, which shall not be unreasonably withheld. No insured will, except at its own cost, voluntarily enter into a settlement, make a payment, assume any obligation, or incur any expense without our consent, which shall not be unreasonably withheld.

5. **SECTION V - EXTENDED REPORTING PERIOD - COVERAGES D-1 AND D-2**, is hereby deleted in its entirety.

6. **SECTION VI - DEFINITIONS**, is amended to include the following definitions:

Underground storage tank means any tank in existence at the **inception date**, or installed thereafter that has at least ten (10) percent of its volume below ground including associated underground piping connected to the tank.

7. **SECTION VI - DEFINITIONS**, Paragraph 14 **Insured Property** and Paragraph 17. **Loss** are deleted in their entirety and replaced with the following:

14. **Insured property** means a premise during the time that such is owned, occupied, rented or leased by the insured during the **policy period**.

17. **Loss**, as used in Coverages D-1 and D-2, means:

- a. Monetary awards or settlements of compensatory damages arising from **bodily injury** or **property damage**;
- b. Costs, charges and expenses incurred in the defense, investigation or adjustment of **claims** for such compensatory damages.

8. **Item 6 INSURED PROPERTY - COVERAGE D POLLUTION LEGAL LIABILITY ONLY** of the Declarations is deleted in its entirety and replaced with the following:

ENDORSEMENT NO. 14 (Continued)

Item 6 INSURED PROPERTY - COVERAGE D POLLUTION LEGAL LIABILITY ONLY: see definition of **Insured Property** contained in Paragraph 7 of this endorsement.

All other terms, conditions and exclusions shall remain the same. Nothing in this Endorsement shall be deemed or construed to increase the limits of insurance shown in the Declarations as applicable to "EACH LOSS" and the "GENERAL AGGREGATE".

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 15

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

**COVERAGE A, B, C, D LIMITATION ENDORSEMENT
UNDERGROUND STORAGE TANK EXCLUSION**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGE FORM**

It is hereby agreed that the Policy is amended as follows:

1. Section 1, Coverages A, B, and C of this Policy are amended as follows:

This insurance does not apply to **bodily injury, property damage, personal and advertising injury** and any **loss** costs or expenses arising out of the ownership, use or operation of any underground storage tanks owned by an insured.

2. Section 1, Coverage D of this Policy is amended as follows:

This insurance does not apply to any **claim** arising from **pollution conditions** emanating from any underground storage tank unless satisfactory integrity test results (under our approved method) are received and approved by and are on file with the underwriter. Coverage is available only for those underground storage tanks specifically approved in writing by the underwriter and scheduled in the Policy by endorsement.

For the purpose of this endorsement, an underground storage tank is any tank, including associated underground piping connected to the tank, that has at least ten (10) percent of its volume below ground.

All other terms, conditions and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 16

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICROBIAL MATTER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGE FORM

It is hereby agreed as follows:

1. It is hereby agreed that **SECTION I - COVERAGES, COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Item 2. **Exclusions** is amended to include the following:

Microbial Matter

Any **claim** based upon, arising out of, or related to **microbial matter**.

2. It is hereby agreed that **SECTION I - COVERAGES, COVERAGE B. - PERSONAL AND ADVERTISING INJURY LIABILITY**, Item 2. **Exclusions** is amended to include the following:

Microbial Matter

Any **claim** based upon, arising out of, or related to **microbial matter**.

3. It is hereby agreed that **SECTION I. - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**, Item 2. **Exclusions** is amended to include the following:

Microbial Matter

Any **claim** based upon, arising out of, or related to **microbial matter**.

4. Section **VI, DEFINITIONS**, Paragraph 24, **pollutants**, is deleted in its entirety and replaced with the following:

24. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials. Waste includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall not include **microbial matter**.

5. The following Paragraph is added to Section **VI - DEFINITIONS**:

Microbial matter means fungi, mold and mildew, whether or not such **microbial matter** is living.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 17

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EG 1721283

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

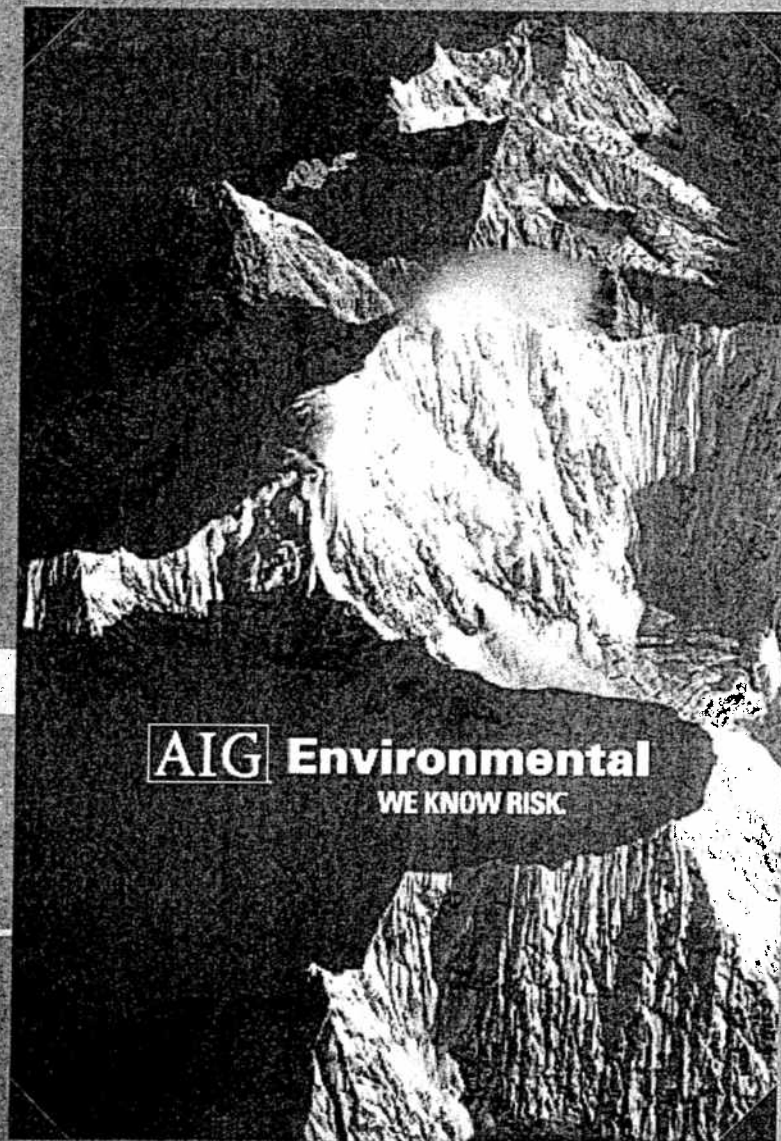
This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND
POLLUTION LEGAL LIABILITY COVERAGE FORM

In consideration of the premium charged, it is a condition of this policy that in the event of cancellation by the **Insured**, the premium shown on the Declarations Page of this policy shall be subject to a minimum earned premium of \$13,866.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)



AIG Environmental
WE KNOW RISK

STEVEN H. SPIEGLER
Insurance Services, Inc.

7855 Ivanhoe Ave., Suite 460 • La Jolla, California 92037
License # 0B71012

AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY

(A Capital Stock Company, herein called the Company)

70 Pine Street

New York, N.Y. 10270

**COVERAGE D AS PROVIDED IN THE "UNDERLYING INSURANCE" IS CLAIMS MADE.
PLEASE READ THIS POLICY CAREFULLY.**

COMMERCIAL UMBRELLA DECLARATIONS

POLICY NUMBER: EGU 1721285

RENEWAL OF: NEW

PRODUCER NAME: STEVEN H. SPIEGLER INS SVCS, INC.
ADDRESS: 7855 IVANHOE AVE., SUITE 460
LA JOLLA, CA 92037

ITEM 1. NAMED INSURED: ADLEN GROUP ENTERPRISES

ADDRESS: 8103 SOUTH ALAMEDA ST.
LOS ANGELES, CA 90001

ITEM 2. POLICY PERIOD: From: February 11, 2006 To: February 11, 2007
AT 12:01 AM STANDARD TIME AT THE ADDRESS OF THE NAMED INSURED SHOWN ABOVE

ITEM 3. LIMITS OF INSURANCE:

- a) Each Occurrence, Offense or Loss \$5,000,000
- b) Self Insured Retention \$10,000
- c) Aggregate Limits - Separately as respects:
 - (i) Products Hazard and Completed Operations \$5,000,000
Hazard Combined
 - (ii) All other Coverages Combined \$5,000,000
(Except Automobile Liability, which is not subject to aggregate limit)

ITEM 4. RETROACTIVE DATE FOR COVERAGE D OF
"UNDERLYING INSURANCE": NONE APPLICABLE

ITEM 5. POLICY PREMIUM:

ADVANCE PREMIUM	ANNUAL MINIMUM PREMIUM	MINIMUM EARNED PREMIUM AT INCEPTION
\$39,043.00	\$39,043.00	\$9,760.75

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:

Not Applicable, Coverage Rejected By Insured

CA TAXES:\$1,171.29 NOT INCLUDED IN PREMIUM
SLA FEES:\$68.33 NOT INCLUDED IN PREMIUM

ITEM 6. SCHEDULE UNDERLYING INSURANCE: - SEE SCHEDULE

ITEM 7. ENDORSEMENTS ATTACHED: SEE FORMS SCHEDULE


AUTHORIZED REPRESENTATIVE
or countersignature (where required by law)

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.
5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1 (800) 927-4357.
6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

AIG ENVIRONMENTAL PIER II REGISTRATION FORM

Brian Johnson
PIER II Program Manager
AIG Consultants-Environmental Management Division
One MacArthur Place, 6th Floor
South Coast Metro, CA 92707

Policy Holder Information:

Named Insured	ADLEN GROUP ENTERPRISES	Policy #:	EGU 1721285
		Phone number:	
Contact Name:		Fax number:	
Mailing Address:	8103 SOUTH ALAMEDA ST.		
		County:	
City:	LOS ANGELES		
State ZIP:	CA 90001		

Emergency Contact Information:

☐ Check here if the emergency contact is not the same for every facility under this policy. AIG will contact you for more information.

Primary Contact: (must be filled in)

Name:		Daytime Phone:	
Mailing Address:		Nighttime Phone:	
City:			
State ZIP:			

Secondary Contact: (must be filled in)

Name:		Daytime Phone:	
Mailing Address:		Nighttime Phone:	
City:			
State ZIP:			

AIG ENVIRONMENTAL PIER II REGISTRATION FORM (continued)

Site specific information * (Physical addresses, not mailing addresses) * Please copy for additional sites.

<p>Facility #: _____</p> <p>Facility Name: _____</p> <p>Address 1: _____</p> <p>Address 2: _____</p> <p>City: _____</p> <p>State: _____</p> <p>Zip: _____</p> <p>Facility Type: _____</p> <p>Comments: _____</p>	<p>Facility #: _____</p> <p>Facility Name: _____</p> <p>Address 1: _____</p> <p>Address 2: _____</p> <p>City: _____</p> <p>State: _____</p> <p>Zip: _____</p> <p>Facility Type: _____</p> <p>Comments: _____</p>
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<p>Facility #: _____</p> <p>Facility Name: _____</p> <p>Address 1: _____</p> <p>Address 2: _____</p> <p>City: _____</p> <p>State: _____</p> <p>Zip: _____</p> <p>Facility Type: _____</p> <p>Comments: _____</p>	<p>Facility #: _____</p> <p>Facility Name: _____</p> <p>Address 1: _____</p> <p>Address 2: _____</p> <p>City: _____</p> <p>State: _____</p> <p>Zip: _____</p> <p>Facility Type: _____</p> <p>Comments: _____</p>
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<p>Facility #: _____</p> <p>Facility Name: _____</p> <p>Address 1: _____</p> <p>Address 2: _____</p> <p>City: _____</p> <p>State: _____</p> <p>Zip: _____</p> <p>Facility Type: _____</p> <p>Comments: _____</p>	<p>Facility #: _____</p> <p>Facility Name: _____</p> <p>Address 1: _____</p> <p>Address 2: _____</p> <p>City: _____</p> <p>State: _____</p> <p>Zip: _____</p> <p>Facility Type: _____</p> <p>Comments: _____</p>
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AIG Environmental

A Division of American International Companies®

To: ADLEN GROUP ENTERPRISES

From: AIG Environmental

Date: March 9, 2006

Re: PIER II Program Q & A

Q. What exactly is the PIER II Program?

- A. The Pollution Incident and Environmental Response (PIER II) Program is designed to assist you when you have determined that additional emergency response capabilities and services are necessary to respond to your environmental pollution incident. PIER II resources include a national network of emergency response contractors and environmental consultants. Additionally, project management services will be provided by AIG Consultants-Environmental Management Division (AIGC-EM). AIGC-EM will be in communication with both you and the emergency responder during the incident to make sure that all resources of the PIER II Program are made available to you.

Q. Why should I use the PIER II Program?

- A. The PIER II Program provides you with a national network of emergency response resources with just one phone call. As an AIG Environmental client, you will benefit from reduced rates that have already been negotiated for you. In addition to providing you with the management services of an AIGC-EM Program Manager, PIER II also offers investigative services, adjusting services, and a crisis management advisory board that can be utilized.

Q. How do I access the PIER II Program when I have an emergency?

- A. To access the PIER II Program 24 hours a day, simply dial toll-free **1-877 PIER NOW (877.743.7669)** and you will be connected to the Emergency Response Hotline. Enter your call-back number, and the on-call AIGC-EM PIER Program Manager will return your page, collect vital information, and dispatch the emergency response services that you require.

Q. What are my responsibilities through the response process?

- A. As the responsible party, you are ultimately responsible for responding to your environmental pollution incident. The PIER II Program is offered to assist you in the overall incident response and management process.

Q. Are my claim reporting requirements satisfied by accessing the PIER II Program?

- A. No. Please refer to your policy for claim reporting requirements.

Q. By being a participant in PIER II, does this mean that my claim is automatically covered by AIG? If not, who pays for the PIER II services?

- A. Coverage will be determined by the claims department after a factual analysis of the incident and the insurance policy. Covered costs will be paid or reimbursed up to the limit of the policy and subject to any deductible or retention amount. If the incident is not covered by the policy, then you will be responsible for payment of the response. In either situation, you will benefit from the pre-negotiated low rates.

Q. What do I need to do to sign up for the PIER II Program?

- A. The best thing to do is to register for the PIER II Program using the registration form included in this packet. The PIER Program Manager listed below can then contact you to provide you with more information.

Q. Who should I contact to discuss the PIER II Program?

- A. To discuss the PIER II Program benefits and to register your company for PIER II Program services, contact:

PIER Program Manager
AIG Consultants, Inc.
Environmental Mgmt. Division
One MacArthur Place., 6th Floor
South Coast Metro, CA 92707
Phone: 1-800-348-4314 ask for Department Code PIER II
Email: PIER@aig.com

AIG ENVIRONMENTAL PIER II PROGRAM

Insured: ADLEN GROUP ENTERPRISES

Policy #: EGU 1721285

Congratulations for choosing AIG Environmental® as your insurance provider! Among other things, your decision allows you access to the Pollution Incident and Environmental Response (PIER II) Program. This program is designed to assist you with your environmental response to catastrophic events or releases at your facility or facilities.

Enclosed you will find:

- Question and Answers regarding the PIER II Program
- PIER II Registration Form

Please complete the enclosed registration form to allow us to have the correct contacts for providing environmental management services if an environmental emergency should occur at your facility or facilities. A postage paid envelope is enclosed for your convenience.

The PIER Program has a toll-free telephone number **1 (877) PIER NOW** (877.743.7669) in case of an emergency. You may follow the guidelines below to determine when to call for PIER II program services.

Call PIER II when:

- A significant amount of hazardous materials is released onto the ground, soil, into the storm drain, or sewer.
- Abnormal amounts of hazardous vapors are detected.

Do not Call PIER II for:

- Regulatory inspections
- Purposes of satisfying claim-reporting requirements.

Enrolling in this service allows us to provide you with one number to call for assistance with your emergency response when it really matters; potentially reducing insurance claims, remediation costs, and environmental contamination.

If you have any questions about the application or general questions about the PIER II Program please call 1-800-348-4314 and ask for Department Code PIER II.

Thank you,

PIER Program Manager
AIG Consultants-Environmental Management Division
One MacArthur Place, 6th Floor
South Coast Metro, CA 92707
Email: PIER@aig.com

POLICYHOLDER DISCLOSURE STATEMENT
UNDER
TERRORISM RISK INSURANCE ACT OF 2002

You are hereby notified that under the federal Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism and thus covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

For your information, if such coverage is purchased, coverage provided by the policy for losses caused by an Act of Terrorism may be partially reimbursed by the United States under a formula established by the Act. Under this formula the United States pays 90% of terrorism losses covered by this law exceeding a statutorily established deductible that must be met by the insurer, and which deductible is based on a percentage of the insurer's direct earned premiums for the year preceeding the Act of Terrorism.

Coverage for Acts of Terrorism is not included in the policy referenced below as the insured has rejected the offer to purchase such insurance.

AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.
NAMED INSURED: ADLEN GROUP ENTERPRISES
POLICY #: EGU 1721285
EFFECTIVE DATES: 02/11/2006 TO 02/11/2007

FORMS SCHEDULE

Named Insured: ADLEN GROUP ENTERPRISES

Policy Number: EGU 1721285

Effective 12:01 AM: February 11, 2006

<u>End't. No.</u>	<u>Form Name</u>	<u>Form Number/ Edition Date</u>	
	AISLIC Commercial Umbrella Declarations	71153	(08/04)
	AISLIC Commercial Umbrella Policy Form	71154	(08/04)
	Schedule of Underlying	86802	(10/04)
	Notice of Loss/Notice of Claim	CI1141	(09/00)
1	Condition Of Payment Endorsement	90365	(01/06)
2	Accident Insurance Exclusion Endorsement	89763	(08/05)
3	Application Endorsement	71145	(07/98)
4	Employers' Liability For Occupnl. Disease Excludn.	71170	(07/98)
5	Amend Pol Excl -Applicable To Covrgs A & B	71180	(07/98)
6	War Exclusion Endorsement	79132	(01/02)
7	Terrorism Excl - All (Incl Cert Acts Of Terrorism)	81268	(12/02)

AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY

COMMERCIAL UMBRELLA POLICY FORM

CERTAIN PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE YOUR RIGHTS AND DUTIES, AND WHAT IS AND IS NOT COVERED.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and all other or organizations qualifying as Named Insureds under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such in **underlying insurance**.

Words and phrases that appear in bold have special meaning. Refer to DEFINITIONS (Section VII).

In consideration of the payment of the premium, and in reliance upon the statements in the Application and subject to the limits of liability, exclusions, conditions and other terms of this policy, we agree with you as follows:

I. COVERAGES

COVERAGE A. - EXCESS FOLLOWING FORM LIABILITY INSURANCE

We will pay on behalf of the insured that portion of **ultimate net loss** in excess of the **retained limit** which the insured becomes legally obligated to pay as damages because of **bodily injury, property damage, personal injury, advertising injury, cleanup costs** or **loss** to which this insurance applies, due to:

1. liability imposed upon the insured by law or
2. liability assumed by the insured under an **insured contract**.

This Coverage A. applies to **ultimate net loss** resulting from **bodily injury, property damage, personal injury, advertising injury, cleanup costs** or **loss** only if and to the extent covered by **underlying insurance**. The insurance afforded under this Coverage A. is subject to the same insuring agreements, exclusions, definitions and conditions contained in the **underlying insurance** in effect on the inception date of this policy, except as to premium, duty to defend, limits of liability and notice, and except as to any other provisions in this policy inconsistent with those in the **underlying insurance**.

COVERAGE B. - UMBRELLA LIABILITY INSURANCE

We will pay on behalf of the insured that portion of **ultimate net loss** in excess of the **retained limit** which the insured becomes legally obligated to pay as damages because of **bodily injury, property damage, personal injury** or **advertising injury** to which this insurance applies, due to:

1. liability imposed upon the insured by law or
2. liability assumed by the insured under an **insured contract** .

This Coverage B. applies to **ultimate net loss** resulting from:

1. **Bodily injury** or **property damage** caused by an **occurrence** happening anywhere in the world, provided the **bodily injury** or **property damage** occurs during the **policy period**; or
2. **Personal injury** or **advertising injury** caused by an offense happening anywhere in the world, provided the offense was committed during the **policy period** .

This Coverage B. does not apply to any **claim** or **suit** covered by **underlying insurance** or which would have been covered by **underlying insurance** but for the exhaustion of the limits of insurance of **underlying insurance** .

II. **DEFENSE**

- A.
 1. Except as provided in Paragraphs A.2. and A.3. below, we shall not be called upon to assume charge of the settlement or defense of any **claim** made or **suit** brought or proceedings instituted against the insured. We shall have the right and shall be given the opportunity to associate with the insured or the **underlying insurer** , or both, in the defense and control of any **claim** or **suit** which involves, or appears reasonably likely to involve this policy. In such event, the insured, the **underlying insurer** and the Company shall cooperate in all things in the defense of such **claim**, **suit** or proceeding.
 2. Under Coverage A., we shall not pay any defense costs or expenses unless a **claim** or **suit** otherwise covered by **underlying insurance** will not be defended by the **underlying insurer** due to the exhaustion of the applicable limits paid thereunder. Under Coverage A., we will have the right and duty to defend any **claim** or **suit** for which there would be a right and duty to defend under the **underlying insurance** but for the exhaustion of any applicable limits paid thereunder.
 3. Under Coverage B., we shall have the right and the duty to assume control of the investigation, settlement or defense of any **claim** or **suit** against the insured for damages arising from **bodily injury**, **property damage**, **personal injury** or **advertising injury** covered by this policy but neither covered by **underlying insurance** nor which would have been covered by **underlying insurance** but for the exhaustion of the limits of insurance of **underlying insurance** .
 4. We shall not be obligated to defend any **claim** or **suit** , or pay any defense costs and expenses, after our applicable limit of liability has been exhausted by payments pursuant to this policy.
- B. We will pay as part of **ultimate net loss**: (1) all premiums on any bond to release any attachment for an amount not in excess of the applicable limit of liability of this policy, but without any obligation to apply for or furnish such bond; (2) all premiums on any appeal bond required in any defended **suit**, but without any obligation to apply for or furnish such bond; (3) costs taxed against the insured in any **claim** or **suit** we defend; (4) all expenses incurred by us; and (5) all interest accruing after entry of any judgment which does not exceed our limit of liability, and before we have paid, offered to pay, or deposited in court that part of the judgment that is within the applicable limit of liability.

- C. As part of **ultimate net loss**, we will reimburse the insured for all reasonable expenses incurred (including actual loss of wages or salary, but not loss of other income, not to exceed \$100 per day) because of the insured's attendance at hearings or trials at our request.
- D. As part of **ultimate net loss**, we will pay all pre-judgment interest awarded against the insured on that part of any judgment which does not exceed our limit of liability. If we make an offer to pay the applicable limit of liability, we will not pay any pre-judgment interest based on any period of time after the time that the offer was made.
- E. 1. With respect to **underlying insurance**, except any Pollution Legal Liability or Professional Liability Coverage Part:
- a. If defense costs and expenses are subject to the limit of liability of **underlying insurance**, then defense costs and expenses payable under this policy are subject to the limit of liability stated in the Declarations of this policy and are included as part of **ultimate net loss**;
 - b. If defense costs and expenses are payable in addition to the applicable limit of liability for such coverage part, then, for defense costs and expenses payable under this policy, we will pay such costs and expenses in addition to the applicable limit of liability of this policy, but only for **bodily injury, property damage, personal injury or advertising injury** covered by this policy.
2. With respect to any Pollution Legal Liability or Professional Liability Coverage Part of **underlying insurance**, defense costs and expenses payable under this policy are subject to the limit of liability stated in the Declarations of this policy and are included as part of **ultimate net loss**.
- F. When we have a duty to defend, in the event the insured is entitled by law to select independent counsel to defend a **suit** at our expense, the attorney fees and all other litigation expenses we must pay to that counsel are limited to the rates we actually pay to counsel we retain in the ordinary course of business in the defense of similar **claims** or **suits** in the community where the **claim** or **suit** arose or is being defended.

Additionally, we may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **claims** or **suits** similar to the one pending against the insured and to require such counsel to have errors and omissions insurance coverage. As respects any such counsel, the insured agrees that counsel will timely respond to our requests for information regarding the **claim** or **suit**.

Furthermore, the insured may at any time, by the insured's signed consent, freely and fully waive these rights to select independent counsel.

III. EXCLUSIONS

In addition to any applicable Exclusions in **underlying insurance**, this policy does not apply to:

- A. Any obligation incurred or imposed upon or imputed to the insured or the insured's insurer under the Employee Retirement Income Security Act of 1974, Public Law 93-406, or amendments thereto or any similar provisions of state statutory law or common law.

- B. Any obligation for which the insured may be liable under any uninsured motorists, underinsured motorists, or automobile no-fault or first party law(s); it being expressly agreed that this policy does not afford any no fault, uninsured motorists or underinsured motorists coverage.
- C. **Bodily injury, property damage, personal injury, advertising injury, cleanup costs or loss** arising from any radioactive matter, whether or not naturally present in the environment.
- D. With respect to Coverage B. only:
1. **Bodily injury or property damage** arising out of the actual, alleged or threatened discharge, seepage, migration, release or escape of **pollutants** at any time; and
 2. Any loss, cost or expense arising out of any:
 - a. Request, demand or order that any insured or others test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.
- E. With respect to Coverage B. only, **bodily injury, property damage, personal injury, advertising injury, cleanup costs or loss** arising out of the rendering or failure to render any **professional services** by or for you, including:
1. The preparing, approving, or failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 2. Supervisory, inspection or engineering services.
- F. Discrimination on any basis, including but not limited to: race, creed, religion, ethnic background, national origin, age, handicap, sex or sexual orientation.
- G. Any **bodily injury, property damage, personal injury, advertising injury, cleanup costs or loss** arising out of:
1. The purchase, or sale, or offer of sale, or solicitation of any security, debt, bank deposit or financial interest or instrument ;
 2. Any representations made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
 3. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.
- H. Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. **Your product ;**
2. **Your work ; or**
3. **Impaired property ;**

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

IV. **LIMITS OF LIABILITY**

- A. The Limits of Liability shown in the Declarations and the rules below fix the most the Company will pay regardless of the number of insureds under this policy, the number of **claims** made or **suits** brought, or the number of persons or organizations making **claims** or bringing **suits**.

B. **Each Occurrence, Offense or Loss Limit**

Subject to Section IV ., Paragraphs C. and D. below, the total limit of the Company's liability for **ultimate net loss** for each **occurrence**, offense or **loss**, or any combination thereof, shall not exceed the amount specified in Item 3(a) of the Declarations as applicable to "Each Occurrence, Offense or Loss".

For the purpose of determining the limit of our liability:

1. All **bodily injury** or **property damage** under **underlying insurance** and arising out of continuous or repeated exposure to substantially the same general conditions shall be deemed to arise out of one **occurrence** ;
2. With respect to **personal injury** or **advertising injury** under **underlying insurance** , all damages involving the same, related or continuous injurious material, act or offense (regardless of the frequency or repetition thereof, the number or kind of media used, or the number of claimants) shall be deemed to arise out of one offense;
3. With respect to **bodily injury**, **property damage** or **cleanup costs** under any Pollution Legal Liability Coverage Part of **underlying insurance**, all **loss** arising out of the same, related or continuous **pollution conditions** shall be deemed to arise out of one **loss** ;
4. With respect to **loss** under any Professional Liability Coverage Part of **underlying insurance**, all **loss** arising out of the same, related or continuous negligent acts, errors or omissions shall be deemed to arise out of one **loss**.

C. **Retained Limit**

1. We will be liable only for that portion of the **ultimate net loss** in excess of the **retained limit** .
2. With respect to Coverage A., subject to the terms and conditions of this policy and the limit of liability stated in the Declarations, in the event of the reduction or exhaustion of the aggregate limits of liability of **underlying insurance** by payment thereunder, we will:

- a. In the event of reduction, pay in excess of the reduced limits of such **underlying insurance**; or
- b. In the event of exhaustion of the aggregate limits of liability of **underlying insurance**, continue this policy in force as underlying insurance.

D. General Aggregate

This policy is subject to the aggregate limits of liability specified in Item 3(c) of the Declarations as "General Aggregate". Subject to Section II.E.1.b., this aggregate limit of liability is the maximum amount which we will pay under this policy for all **ultimate net loss** covered hereunder. When an amount is indicated in Item 3(c)(ii) of the Declarations, such aggregate limit of liability shall apply separately to the **products - completed operations hazard**.

E. Limit Exhaustion

This policy shall cease to apply once the applicable limits of liability have been exhausted by payment of **ultimate net loss**.

F. Insolvency/Breach of Conditions

Our liability under this policy shall not be increased by:

1. The insolvency or inability to pay of the insured or any **underlying insurer**; or
2. The refusal of any **underlying insurer** to pay by reason of the insured's breach of a condition of **underlying insurance**.

V. EXTENDED REPORTING PERIODS

The Extended Reporting Periods described below are available under this policy only when they are available and, if optional, purchased under the **underlying insurance**.

- A. We will provide an Extended Reporting Period only if this policy is either cancelled by you or cancelled or not renewed by us for any reason except non-payment of premium. Non-renewal shall mean the refusal by us to renew the policy on any terms. Non-renewal shall not mean change in premium, or required underlying limits, self-insured retention or any other terms and condition.
- B. A **claim** first made, in writing, during the Extended Reporting Period will be deemed to have been made on the last day of the **policy period**, provided that the **claim** is for:
 1. **Loss** because of **bodily injury, property damage or cleanup costs** covered by **underlying insurance**, arising from a **pollution condition** that commenced before the end of the **policy period** but not before the Retroactive Date; or
 2. **Loss** covered by **underlying insurance** arising from a negligent act, error or omission that commenced before the end of the **policy period** but not before the Retroactive Date.
- C. The Extended Reporting Period will not reinstate or increase the limits of liability or extend the **policy period** under this policy.

D. The Extended Reporting Period will be as set forth below:

1. If no other insurance you purchase to replace this policy applies to the **claim** or would apply but for the exhaustion of its applicable limits of liability, we will provide an automatic limited Extended Reporting Period for the same duration as the automatic limited Extended Reporting Period for **underlying insurance**. This automatic limited Extended Reporting Period will commence at the earlier of this policy's expiration date or cancellation date. This automatic limited Extended Reporting Period may not be cancelled and requires no additional premium.
2. If you have purchased an optional Extended Reporting Period for **underlying insurance**, you may purchase the optional Extended Reporting Period Endorsement under this policy, in which event, we will provide an optional Extended Reporting Period for the same duration as the optional Extended Reporting Period for **underlying insurance**. This optional Extended Reporting Period will commence at the earlier of this policy's expiration date or cancellation date. We will issue the optional Extended Reporting Period Endorsement if you:
 - a. make a written request for it which we receive within thirty (30) days after the end of the **policy period** or effective cancellation date of the policy; and
 - b. pay the additional premium within thirty (30) days after said request.

This optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Endorsement may not be cancelled.

- E. The premium for the optional Extended Reporting Period Endorsement will not exceed 200% of the full annual premium for this policy and will be fully earned when the Endorsement takes effect.
- F. If we provide an Extended Reporting Period, the Other Insurance condition (Section VI., Paragraph F.) is amended so that this insurance will be excess over any other valid and collectible insurance available to the insured whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the Extended Reporting Period takes effect.

VI. CONDITIONS

In addition to any applicable Conditions in the **underlying insurance**, the following conditions apply to this policy:

- A. **Prior Insurance and Non-Cumulation of Liability** - It is agreed that if any **loss** covered hereunder is also covered in whole or in part under any other excess policy available to the insured in effect prior to the inception date hereof, our limit of liability as stated in the Declarations shall be reduced by any amounts payable on behalf of the insured by such prior insurance.
- B. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Applicable to All Coverage Parts Other than any Pollution Legal Liability Coverage Part

1. You must see to it that we are notified as soon as possible of an **occurrence**, offense, or negligent act, error or omission which may result in a **claim**. To the extent possible, notice should include:
 - a) How, when and where the **occurrence**, offense, or negligent act, error or omission took place;
 - b) The names and addresses of any injured persons and witnesses; and
 - c) The nature and location of any injury or damage arising out of the **occurrence**, offense, or negligent act, error or omission.

Notice of an **occurrence**, offense, or negligent act, error or omission is not notice of a **claim**.

2. If a **claim** is received by any insured you must:
 - a) Immediately record the specifics of the **claim** and the date received; and
 - b) Notify us in writing as soon as possible.
3. You and any other involved insured must:
 - a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with a **claim** or **suit**;
 - b) Authorize us to obtain records and other information;
 - c) Cooperate with us in the investigation, settlement or defense of the **claim** or **suit**; and
 - d) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense covered under this policy, other than for first aid, without our consent.

Applicable to any Pollution Legal Liability Coverage Part

5. In the event of a **claim**, the insured shall notify us in writing as soon as practicable and in any event within seven (7) days of the insured's receipt of the **claim**.
6. The insured shall furnish information at our request. When a **claim** has been made, the insured shall forward to us as soon as practicable after receipt, or receipt by the insured's representative or agent, the following:
 - a) All correspondence between the insured and any third party claimant ;
 - b) All demands, summonses, notices or other processes or papers filed with a court of law, administrative agency or an investigative body;

- c) All technical reports, laboratory data, field notes or any other documents generated by persons the insured has hired to investigate or remediate pollution conditions;
 - d) All expert reports, investigations and data collected by experts the insured has retained, whether or not you intend to use the material for any purpose; and
 - e) Any other information the insured has developed or discovered concerning the **claim**, whether or not the insured deems such information to be relevant to the **claim**.
7. No costs, charges or expenses covered under this policy shall be incurred in the defense or investigation of claims without our consent which shall not be unreasonably withheld.

Applicable to All Coverage Parts

8. All notices under this Section VI., Paragraph B. shall be made in writing and addressed to:

Manager, Pollution Insurance Products Unit
AIG Technical Services, Inc.
Environmental Claims Department
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 201-631-5051

and

Division Attorney - Pollution Legal Liability
American International Specialty Lines Insurance Company
175 Water Street, Twelfth Floor
New York, New York 10038

or other address we substitute in writing.

Notice to a broker or independent insurance agent does not constitute notice to us.

- C. **Maintenance of Underlying Insurance** - The policy or policies referred to in the Schedule of Underlying Insurance or renewals or replacements thereof not more restrictive, shall be maintained as insurance in full force and effect during the term of this policy without alteration in their terms or conditions; except for any reduction of the limits of liability contained therein solely by payment thereunder.

Failure to comply with the foregoing shall not invalidate this policy but, in the event of such failure, we will only be liable to the same extent as we would have been had you so maintained such policy or policies.

If during the **policy period**, the terms, conditions, exclusions or limitations of **underlying Insurance** are changed in any manner, the insured shall as a condition precedent to its rights under this policy give to us as soon practicable written notice of the full particulars thereof. This policy shall become subject to any such changes upon the effective date of the changes in the **underlying insurance** but only upon the condition that we agree to follow such changes by written endorsement attached hereto and the insured pays when due any additional premium required by us relating to such changes and/or agrees to any amendment of the provisions of this policy required by us relating to such changes.

- D. **Receivership, Insolvency or Financial Impairment of Underlying Insurer** - Our liability under this policy shall in no way be increased or expanded as a result of the receivership, insolvency or inability to pay of any **underlying insurer**, with respect to

both our duty to indemnify and our duty to defend. This condition also applies to you as a self-insured for any underlying coverage.

- E. **Appeals** - In the event the insured or any **underlying insurer(s)** elect(s) not to appeal a judgment in excess of the limits of **underlying insurance**, we may elect to make such appeal at our own cost and expense. We shall be liable for the taxable costs and disbursements and interest incidental thereof, but in no event shall our liability for **ultimate net loss** exceed the applicable limit of liability under this policy.
- F. **Other Insurance** - If other valid and collectible insurance with any other insurer is available to the insured covering a loss also covered hereunder, this insurance shall be excess of, and shall not contribute with, such other insurance. Excess insurance specifically purchased to apply over the Limits of Liability expressed in this policy is permitted without prejudice to this insurance and the existence of such specific excess insurance shall not reduce our liability under this policy.
- G. **Application of Salvages - Subrogation** - All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this insurance shall be applied as if recovered or received prior to such settlement and all necessary adjustment shall then be made between you and us, provided always that nothing in this clause shall be construed to mean that losses under this insurance are not recoverable until the **ultimate net loss** has been finally ascertained. Inasmuch as this policy is excess coverage, the insured's right of recovery against any person or other entity cannot always be exclusively subrogated to us. It is therefore understood and agreed that in case of any payment hereunder, we shall act in concert with all other interests (including the insured) concerned in the exercise of such rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests (including the insured) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; shall then be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests (including the insured) of whom this coverage is excess are entitled to claim the residue, if any. Expenses necessary to recovery of any such amounts shall be apportioned among the interests concerned, in the ratio of their respective recoveries as finally settled.
- H. **Cancellation** - This policy may be cancelled by the first Named Insured by surrender thereof to us or any of our authorized agents or by mailing to us written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by us by mailing to the first Named Insured at the address shown in the policy, written notice stating when not less than 30 days (10 days for nonpayment of premium) thereafter such cancellation shall be effective. Proof of mailing of such notice shall be sufficient proof of notice.
- The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by the first Named Insured or by us shall be equivalent to mailing. If the first Named Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment of tender or unearned premium is not a condition of cancellation.
- I. **First Named Insured** - The first Named Insured in Item 1 of the Declarations shall be responsible for payment of all premiums, and shall act on behalf of all other insureds with

respect to the giving and receiving of notice of cancellation and the receipt of any return premium that may become payable under this policy.

- J. **Service of Suit** - It is agreed that in the event of our failure to pay any amount claimed to be due hereunder, we, at the request of the insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, American International Specialty Lines Insurance Company, c/o American International Surplus Lines Agency, Inc., 175 Water Street, Twelfth Floor, New York, NY 10038, or his or her representative, and that in any suit instituted against us upon this contract, we will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

VII. DEFINITIONS

In addition to any applicable definitions in the **underlying insurance**, the following definitions apply to this policy.

- A. **Policy Period** means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation of this policy.
- B. With respect to Coverage A., **Retained Limit** means the sum of:
1. The total of the amounts indicated as the limits of **underlying insurance**, whether or not collectible; and
 2. Other collectible insurance (other than insurance purchased specifically to apply over the limits of liability of this policy); or

With respect to Coverage B., **Retained Limit** means the amount of **ultimate net loss** stated in the Declarations as "self-insured retention" as a result of any one **occurrence**, offense or **loss**, or any combination thereof.

- C. **Ultimate Net Loss** means the total sum of which the insured, or any carrier as its insurer, or both, become obligated to pay by reason of **bodily injury, property damage, personal injury, advertising injury, cleanup costs** or **loss** either through adjudication or compromise, including all expenses for settlement, adjustment, investigation and defense of **claims**, but excluding the salaries of any of the **underlying insurer's** or our employees.

- D. **Underlying Insurance** means the insurance policies designated on the Schedule of Underlying Insurance to this policy and any renewals or replacements of such policies.
- E. **Underlying Insurer** means any company issuing any policy of **underlying insurance**.

The following terms used in this policy have the same meaning as in the **underlying insurance**:

- F. **Advertising Injury**
- G. **Bodily Injury**
- H. **Claim**
- I. **Cleanup Costs**
- J. **Impaired Property**
- K. **Insured Contract**
- L. **Loss**
- M. **Occurrence**
- N. **Personal Injury**
- O. **Pollutants**
- P. **Pollution Conditions**
- Q. **Products - Completed Operations Hazard**
- R. **Professional Services**
- S. **Property Damage**
- T. **Suit**
- U. **Your Product**
- V. **Your Work**

The remainder of this page has been intentionally left blank. Policy Signature Page shall immediately follow.

POLICY SIGNATURE PAGE

**This Policy Signature Page,
forms a part of Policy No: EGU 1721285**

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.

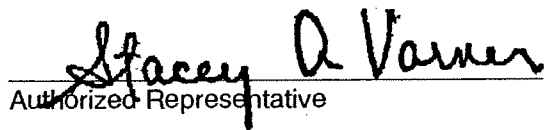


Secretary
American International Specialty
Lines Insurance Company



President
American International Specialty
Lines Insurance Company

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the Policy.



Authorized Representative

SCHEDULE OF UNDERLYING INSURANCE

Commercial General Liability and Pollution Legal Liability (EAGLE):

Carrier: American International Specialty Lines Insurance Company
Policy Period: February 11, 2006 TO: February 11, 2007
Policy Number: 1721283
Limits: \$1,000,000 Each Occurrence Limit
\$1,000,000 Each Loss Limit (Coverage D. Pollution Legal Liability)
\$2,000,000 General Aggregate Limit (Other than Products-Completed Operations)
\$2,000,000 Products-Completed Operations Aggregate Limit
\$1,000,000 Personal and Advertising Injury Limit

Employee Benefits:

Limits: \$1,000,000 Each Wrongful Act or Series of Related Wrongful Acts Limit
\$1,000,000 Annual Aggregate Limit

Auto Liability:

Carrier: Commerce & Industry Insurance Company
Policy Period: February 11, 2006 TO: February 11, 2007
Policy Number: 6712406
Limits: \$1,000,000 Combined Single Limit

Employers Liability, Coverage B:

Carrier: State Insurance Fund of California
Policy Period: October 1, 2005 TO: October 1, 2006
Policy Number: 487-98-05
Limits: \$3,000,000 Each Occurrence Limit
\$3,000,000 Aggregate Per Disease Limit
\$3,000,000 Per Person Limit

AIG ENVIRONMENTAL

NOTICE OF LOSS/NOTICE OF CLAIM

INSTRUCTIONS: PLEASE ATTACH ALL CORRESPONDENCE RELATING TO THIS NOTICE OF LOSS AND MAIL COPIES OF THIS NOTICE TO THE ADDRESS BELOW:

Manager, Pollution Insurance Products Unit
AIG Technical Services, Inc.
Environmental Claims Department
101 Hudson Street, 31st Floor
Jersey City, NJ 07302

Date of Notice: _____

NAMED INSURED: ADLEN GROUP ENTERPRISES

ADDRESS OF INSURED: 8103 SOUTH ALAMEDA ST.
LOS ANGELES, CA 90001

TELEPHONE: () _____
CONTACT: _____

BROKER NAME: STEVEN H. SPIEGLER INS SVCS, INC.
BETTY HALL
BROKER ADDRESS: 7855 IVANHOE AVE., SUITE 460
LA JOLLA, CA 92037

TELEPHONE: () _____
CONTACT: _____

POLICY INFORMATION:

Policy Number: EGU 1721285

Policy Period: From: February 11, 2006 To: February 11, 2007

Loss Information:

Loss Location: _____

Date & Description of Loss: _____

For AIG Use Only:

Date Claim Notice Received: _____

Date of Claim: _____

Company/Person Filing Suit (if applicable): _____

NOTE: Any person who knowingly files a Statement of Claim containing any false or misleading information is subject to criminal and civil penalties.

ENDORSEMENT NO. 1

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITION OF PAYMENT ENDORSEMENT

It is hereby agreed that any payment under this Policy shall only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 2

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACCIDENT INSURANCE EXCLUSION ENDORSEMENT

This endorsement modifies insurance under the following:

COMMERCIAL UMBRELLA POLICY FORM

This insurance does not apply to loss that is covered pursuant to or by any Accident Insurance included in any **underlying insurance**, including but not limited to loss arising from, due to or sustained because of any **injury** that results from an accident covered pursuant to or by such Accident Insurance.

It is agreed that the following is added to Section **VII., DEFINITIONS** and has the same meaning as in the **underlying insurance**:

Injury

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 3

This endorsement, effective 12:01 AM: February 11, 2006

Forms a part of Policy No: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

APPLICATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is hereby agreed that the policy is amended to include the following:

The statements in the Insured's application for this policy are the Insured's representations and are hereby deemed material. This policy has been issued based upon the truth and accuracy of such representations. Upon the binding of coverage, the application shall be attached to and become part of this policy. This policy includes all of the agreements existing between the Insured and the Company or any of its agents relating to this policy.

All other terms, conditions and exclusions remain the same.

**AUTHORIZED REPRESENTATIVE
or countersignature (where required by law)**

ENDORSEMENT NO. 4

This endorsement, effective 12:01 AM: February 11, 2006

Forms a part of policy no.: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EMPLOYERS LIABILITY FOR OCCUPATIONAL DISEASE EXCLUSION

This insurance does not apply to **bodily injury** to an employee of the insured arising out of any Occupational Disease.

All other terms, conditions and exclusions remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (where required by law)

ENDORSEMENT NO. 5

This endorsement, effective 12:01 AM: February 11, 2006

Forms a part of policy no: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**AMENDMENT OF POLLUTION EXCLUSION -
POLLUTION EXCLUSION APPLICABLE TO BOTH COVERAGES A AND B**

It is hereby agreed that the Policy is amended as follows:

1. Section III., EXCLUSIONS, Paragraph D. is deleted in its entirety and replaced with the following:

In addition to any applicable Exclusions in **underlying insurance**, this policy does not apply to:

D. (1) **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, seepage, migration, release or escape of **pollutants** at any time; and

(2) Any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

All other terms, conditions and exclusions remain the same.

**AUTHORIZED REPRESENTATIVE
or countersignature (where required by law)**

ENDORSEMENT NO. 6

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION ENDORSEMENT

It is hereby agreed that the following exclusion is added to Section **III - EXCLUSIONS**:

Bodily injury, property damage, personal injury, advertising injury, clean up costs or loss arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 7

This endorsement, effective 12:01 AM, February 11, 2006

Forms a part of Policy No: EGU 1721285

Issued to: ADLEN GROUP ENTERPRISES

By: AMERICAN INTERNATIONAL SPECIALTY LINES INS. CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION - ALL TERRORISM (INCLUDING CERTIFIED ACTS OF TERRORISM)
EXCLUSION ENDORSEMENT

Pursuant to the requirements of the Terrorism Risk Insurance Act of 2002, the "Act," the **Insured** has been provided notice that the **Insured** may elect to purchase coverage for loss covered under this Policy arising directly or indirectly as a result of a certified "act of terrorism" as defined by Section 102. Definitions, of the Act and any revisions or amendments thereto and the premium charge for such coverage.

After receiving such notice, the **Insured** has elected not to purchase coverage for such certified "acts of terrorism" and has agreed to the inclusion of a Terrorism Exclusion. Therefore, this Policy is amended to include the following exclusion:

The Company has no obligation to make any payment or to provide or to pay for a defense under this Policy due to or arising directly or indirectly as a result of or in connection with **Terrorism** including but not limited to, any contemporaneous or ensuing loss caused by fire, looting, or theft.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

The defined term **Terrorism** shall specifically include, but is not limited to, the following definition of a certified "Act of Terrorism" defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments thereto:

(1) Act of Terrorism -

(A) Certification. - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States -

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to -

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of -

(I) an air carrier or vessel described in paragraph (5)(B); for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission ;

(II) the premises of a United States mission; and

ENDORSEMENT NO. 7 (Continued)

- (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) Limitation. - No act shall be certified by the Secretary as an act of terrorism if -
 - (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms, conditions, and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)



ADMIRAL INSURANCE COMPANY

520 Pike St
520 Pike Tower, Suite 2929
Seattle, WA 98101
Phone: (206) 467-6511
Fax: (206) 467-6557

04/04/2005

HERITAGE GENERAL AGENCY/WORLDWIDE FACILITIES
8105 IRVINE CENTER DR
SUITE 670
IRVINE, CA 92618

Attention: CHERYL ZAMARRIPA

Named Insured: SAMSONS AUTO SALVAGE

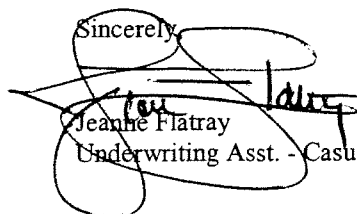
Policy No.: CA000006570-01

Enclosed for your review is the following:

- ☒ Policy/Renewal Certificate
- ☐ Endorsement
- ☐ Cancellation
- ☐ Other

After your review if you should have any questions, please let me know.

Sincerely,


Jeanne Flatray
Underwriting Asst. - Casualty



ADMIRAL INSURANCE COMPANY

A Stock Company

COMMERCIAL LINES POLICY

THIS POLICY IS NOT OBTAINED PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
 - ONE OR MORE COVERAGE FORMS
 - APPLICABLE FORMS AND ENDORSEMENTS

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President and CEO



ADMIRAL INSURANCE COMPANY

A STOCK COMPANY
(herein called "the Company")

COMMON POLICY DECLARATIONS

Policy No.: CA000006570-01

Renewal/Rewrite of:

NEW

Named Insured and Mailing Address

SAMSONS AUTO SALVAGE
See Endorsement
8103 S ALAMEDA STREET
LOS ANGELES, CA 90001

Policy Period: From 02/11/2005 To 02/11/2006 At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein

THE NAMED INSURED IS: ☐ Individual; ☐ Partnership; ☒ Corporation; ☐ Joint Venture; ☐ Other

BUSINESS DESCRIPTION: AUTO SALVAGE YARD

AUDIT PERIOD: ☒ Annual; ☐ Other

IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGES FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Commercial Property Coverage	\$	
Commercial General Liability Coverage	\$	\$91,160.00
Products/Completed Operations Liability Coverage	\$	
Coverage	\$	
PREMIUM:	\$	\$91,160.00
TERRORISM PREMIUM:	\$	
TOTAL PREMIUM:	\$	\$91,160.00

Form(s) and Endorsement(s) made a part of this policy at inception:
REFER TO SCHEDULE OF FORMS, AI 00 18 03 98

This policy is not binding unless countersigned by Admiral Insurance Company or it's authorized representative.

Countersigned On: 03/29/05

At: Seattle, WA

By: James S. Carey
Authorized Representative

THESE COMMON POLICY DECLARATIONS AND, IF APPLICABLE, THE COMMERCIAL PROPERTY COVERAGE, THE COMMERCIAL GENERAL LIABILITY DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), FORM(S) AND ENDORSEMENTS, IF ANY, ISSUES TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBER POLICY.



COMMERCIAL GENERAL LIABILITY COVERAGE PART

DECLARATIONS

Policy No.: **CA000006570-01**

Effective Date: **02/11/2005** 12:01 A. M., Standard Time

LIMITS OF INSURANCE

General Aggregate Limit (Other Than Products- Completed Operations)	\$	2,000,000	
Products - Completed Operations Aggregate Limit	\$	2,000,000	
Personal and Advertising Injury Limit	\$	1,000,000	
Each Occurrence Limit	\$	1,000,000	
Damage To Premises Rented To You Limit	\$	50,000	Any One Premises
Medical Expense Limit	\$	EXCLUDED	Any One Person

RETROACTIVE DATES

Coverages A and B of this insurance does not apply to "bodily injury", "personal injury", "property damage" or "advertising injury" which occurs before the Retroactive Date, if any, shown here: None

(Enter Date or "None" if no Retroactive Date Applies)

PREMIUM

Classification	Code No.	Premium Basis	Rate	Per	Advance Premium
OPERATIONS RATED AS: AUTO SALVAGE YARD	91190	\$10,600,000 ⁽³⁾	\$8.60	\$1,000	\$91,160.00
Total Advanced Premium					\$91,160.00
Minimum Term Premium					\$91,160.00

ADDITIONAL DECLARATIONS

When used as a Premium basis:

- (1) "remuneration" means the entire remuneration earned during the policy period by proprietors and by all employees of the Named Insured other than chauffeurs (except operators of mobile equipment) and aircraft pilots and co-pilots, subject to any overtime earnings or limitation or remuneration rule applicable in accordance with the manuals in use by the Company;
- (2) "cost" means the total cost to the Named Insured with respect to operations performed for the Named Insured during the policy period by independent contractors of all work let or sub-let in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or sub-contractor, including all fees, allowances, bonuses or commissions made, paid or due.
- (3) "sales" means the gross amount of money charged by the Named Insured, his concessionaires, and others trading under his name, for goods and products sold or distributed, operations performed (installation, repair or servicing), dues or fees and rentals during the policy term, and includes taxes, other than taxes which the Named Insured and such others collect as a separate item and remit directly to a governmental division.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD

SCHEDULE OF FORMS

Named Insured: SAMSONS AUTO SALVAGE

Policy No.: CA000006570-01

FORM NUMBER	TITLE
JA10010102	COVER JACKET - ADMIRAL INSURANCE COMPANY
DE20010700	COMMON POLICY DECLARATIONS
DE20020700	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
AI00180398	SCHEDULE OF FORMS
CG00011204	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG21351001	EXCLUSION - COVERAGE C - MEDICAL PAYMENTS
CG21470798	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG21490999	TOTAL POLLUTION EXCLUSION ENDORSEMENT
CG21751202	EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM
CG21870504	CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT OF 2002)
CG24100798	EXCESS PROVISION - VENDORS
CG24260704	AMENDMENT OF INSURED CONTRACT DEFINITION
IL00171198	COMMON POLICY CONDITIONS
IL00210702	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
AD08421204	BODILY INJURY REDEFINED
AD08431201	GENERAL LIABILITY AMENDATORY ENDORSEMENT - PRE-EXISTING DAMAGE EXCLUSION
AD66000195	LEAD EXCLUSION (ABSOLUTE)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location Of Premises Or Classification:

ALL PREMISES AND ALL CLASSIFICATIONS

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply: and

2. The following is added to Section I – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2.,
Exclusions of Section I – Coverage A – Bodily Injury
And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2.,
Exclusions of Section I – Coverage B – Personal And
Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

Effective Date: 02/11/2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism" or an "other act of terrorism". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":
 - a. The act resulted in aggregate losses in excess of \$5 million; and

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL TERRORISM
RISK INSURANCE ACT OF 2002)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs:
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or continuation of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

The Program is scheduled to terminate at the end of December 31, 2005 unless renewed, extended or otherwise continued by the federal government.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCESS PROVISION – VENDORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

When you are added to a manufacturer's or distributor's policy as an additional insured because you are a vendor for such manufacturer's or distributor's products, Paragraph 4., **Other Insurance of Conditions (Section IV)** is amended by the addition of the following:

The coverage afforded the insured under this Coverage Part will be excess over any valid and collectible insurance available to the insured as an additional insured under a policy issued to a manufacturer or distributor for products manufactured, sold, handled or distributed.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 9. of the **Definitions** Section is replaced by the following:

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY ENDORSEMENT (BROAD FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BODILY INJURY REDEFINED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
COMMERCIAL GENERAL LIABILITY COVERAGE FORM (CLAIMS-MADE)
PRODUCTS AND COMPLETED OPERATIONS LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
PRODUCTS AND COMPLETED OPERATIONS LIABILITY COVERAGE FORM (CLAIMS-MADE VERSION)
LIQUOR LIABILITY COVERAGE (OCCURRENCE VERSION)
LIQUOR LIABILITY COVERAGE (CLAIMS-MADE)
OWNER'S AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
EXCESS LIABILITY COVERAGE FORM
UMBRELLA LIABILITY COVERAGE FORM

The definition of "bodily injury" in DEFINITIONS is amended as follows;

"Bodily injury" means physical injury, physical sickness or physical disease sustained by any one person, including death therefrom. "Bodily injury" does not include shock or emotional, mental or psychological distress, injury, trauma or anguish, or other similar condition, unless such condition results solely and directly from prior physical injury, physical sickness or physical disease otherwise covered under this insurance.

Effective Date: 02/11/2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**GENERAL LIABILITY AMENDATORY ENDORSEMENT -
PRE-EXISTING DAMAGE EXCLUSION**

It is agreed under **Section 1 Coverages, Coverage A Bodily Injury and Property Damage Liability, 1. Insuring Agreement**, Paragraphs **b (3), c and d** are deleted in their entirety and the following exclusion is added to this policy.

This insurance does not apply to :

1. Any damages arising out of or related to "bodily injury" or "property damage", whether such "bodily injury" or "property damage" is known or unknown,
 - (a) which first occurred prior to the inception date of this policy (or the retroactive date of this policy, if any; whichever is earlier); or
 - (b) which are, or are alleged to be, in the process of occurring as of the inception date of the policy (or the retroactive date of this policy, if any; whichever is earlier) even if the "bodily injury" or "property damage" continues during this policy period.
2. Any damages arising out of or related to "bodily injury" or "property damage", whether known or unknown, which are in the process of settlement, adjustment or "suit" as of the inception date of this policy (or the retroactive date of this policy, if any; whichever is earlier).

We shall have no duty to defend any insured against any loss, claim, "suit", or other proceeding alleging damages arising out of or related to "bodily injury" or "property damage" to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION (ABSOLUTE)

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

It is agreed that the insurance afforded by this policy does not apply to any Bodily Injury, Property Damage or Personal Injury for past, present or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, ingestion of or testing for, lead or products containing lead whether or not the lead is or was at any time airborne as a particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

It is further agreed that this policy does not apply to any liability including expenses for:

- (1) The costs of clean up or removal of lead or products and materials containing lead;
- (2) The cost of such actions as may be necessary to monitor, assess and evaluate the release or threat of same, of lead or products and material containing lead;
- (3) The cost of disposal of lead substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;
- (4) The cost of compliance with any law or regulation regarding lead.

It is further agreed that for any claim made or suit brought which is excluded under the terms of this endorsement, the Company shall not have the obligation to defend, adjust, investigate or pay any cost for investigation, defense, adjustment or attorney fees arising out of such claims.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SERVICE OF SUIT
STATE OF CALIFORNIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Notwithstanding anything to the contrary contained in the printed form of this policy, it is agreed and understood that service of suit in the State of California may be made upon the following:

C T Corporation Systems
818 W. Seventh Street
Los Angeles, CA 90017

All other provisions of the service of suit clause remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION (ABSOLUTE)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury", "property damage" or "personal and advertising injury" related to actual, alleged or threatened past, present or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, testing for or failure to disclose the presence of asbestos, products containing asbestos, or products designed or used to protect from the inhalation, ingestion, contact with or other exposure to asbestos whether or not the asbestos is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

It is further agreed that this insurance does not apply to any loss, cost or expense including but not limited to, payment for investigation or defense, fines, penalties, interest and other costs or expenses, arising out of or related to any:

- (1) Clean up or removal of asbestos or products and materials containing asbestos;
- (2) Such actions as may be necessary to monitor, assess and evaluate the release or threat of same, of asbestos or products and material containing asbestos;

- (3) Disposal of asbestos substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;
- (4) Compliance with any law or regulation regarding asbestos;
- (5) Existence, storage, handling or transportation of asbestos;
- (6) Any supervision, instructions, recommendations, warranties (express or implied), warnings or advice given or which should have been given.

It is further agreed that for any claim made or suit brought which is excluded under the terms of this endorsement the Company shall not have the obligation to defend, adjust, investigate or pay any cost for investigation, defense, attorney fees or adjustment arising out of such claims.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM PREMIUM AND MINIMUM RETAINED PREMIUM AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

1. Condition 5. Premium Audit as shown in SECTION IV- CONDITIONS is deleted and replaced by the following condition:

5. Premium Audit

All premiums for this policy shall be computed in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to the Insurance afforded herein.

Premium designated in this policy as Advance Premium is a Deposit Premium which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of policy period), designated in the DECLARATIONS as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the first Named Insured, shall become due and payable.

Should it become necessary to institute collection activities, including litigation, in order to collect the additional earned premium, then you shall be responsible for 100% of the expenses, fees and costs incurred by the Company in that regard plus any collectible interest. If the total computed earned premium for the policy period is less than the premium previously paid, then we shall receive and retain no less than the minimum premium(s) listed in the coverage part(s) attached hereto.

You shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to us at the end of the policy period and at such times during the policy period as we may direct.

2. It is further agreed that Section A. Cancellation, paragraph 5. of the COMMON POLICY CONDITIONS IS amended to read as follows:

5. If the policy is cancelled, we will send the first Named Insured any premium refund due.

If we cancel, the refund will be the lesser of the pro rata of the actual earned premium or Minimum Premium. If the Named Insured cancels, the refund may be less than pro rata. However in no event shall we retain less than 25% of the Advance Premium shown in the DECLARATIONS.

Effective Date: 02/11/2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**DEDUCTIBLE LIABILITY INSURANCE**

This endorsement modifies insurance provided under the following;

COMMERCIAL GENERAL LIABILITY COVERAGE PART
 PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible	
	PER CLAIM or	PER OCCURRENCE
Bodily Injury Liability	\$	\$
OR		
Property Damage Liability	\$	\$
OR		
Bodily Injury Liability and/or	\$ 10,000	\$
Property Damage Liability Combined		
OR		
Personal and Advertising Injury Liability	\$ 10,000	\$

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitation on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "Bodily Injury", "Property Damage" and "Personal Advertising Injury Liability", however caused): **No limitations**

1. Our obligation under the Bodily Injury Liability, Property Damage Liability, and Personal and Advertising Injury Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
 - (1) Under Bodily Injury Liability coverage, to all damages sustained by any one person because of "Bodily Injury";
 - (2) Under Personal and Advertising Injury Liability Coverage, to all damages sustained by any one person because of Personal and Advertising Injury Liability.
 - (3) Under Property Damage Liability Coverage, to all damages sustained by any one person because of "Property Damage"; or
 - (4) Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (a) "Bodily Injury";
 - (b) "Property Damage"; or
2. The deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
 - a. PER CLAIM BASIS. If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INJURY TO INDEPENDENT CONTRACTORS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This policy does not apply to injury to any independent contractor or subcontractor, or to any employee of any independent contractor or subcontractor, engaged to perform any work for you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AIRCRAFT PRODUCTS AND GROUNDING LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to Bodily Injury, Property Damage or Personal Injury arising out of aircraft products, services or reliance upon any representation or warranty made with respect thereto, or to any liability arising out of the grounding of any aircraft.

"Aircraft Products and Services" means (1) Aircraft (including missiles or spacecraft and ground support or control equipment used therewith) and any other goods or products manufactured, sold, handled or distributed by you or any services provided or recommended by you or by others trading under your name for use in the manufacture, repair, operation, maintenance or use of any aircraft, and (2) Any articles or services, furnished or performed by you and installed in aircraft or used in connection with aircraft or for spare parts for aircraft, including ground handling tools and equipment, and also means training aids, instructions, manuals, blueprints, engineering or other data, engineering or other advice, and labor relating to such aircraft or articles.

"Grounding" means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by you or manufactured, assembled or processed by any other person or organization according to specifications, plans, suggestions, orders or drawings of you or with tools, machinery or other equipment furnished to such persons or organizations by you, whether such aircraft so withdrawn are owned or operated by same or different persons or organizations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA EXCLUSION (ABSOLUTE)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury", "property damage" or "personal and advertising injury" related to actual, alleged, or threatened past, present or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, ingestion of, testing for or failure to disclose the presence of, failure to warn or advise of silica, products containing silica, or products designed or used to protect from the inhalation, ingestion, contact with or any other exposure to silica, whether or not the silica is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

It is further agreed that this insurance does not apply to any loss, cost or expense including, but not limited to, payment for investigation or defense, fines, penalties, interest and other costs or expenses, arising out of or related to any:

- (1) Clean up or removal of silica or products and materials containing silica;
- (2) Such actions as may be necessary to monitor, assess and evaluate the release or threat of same, of silica or products and material containing silica;
- (3) Disposal of silica substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;
- (4) Compliance with any law or regulation regarding silica;
- (5) Existence, storage, handling or transportation of silica;
- (6) Any supervision, instructions, recommendations, warranties (express or implied), warnings or advice given or which should have been given.

It is further agreed that for any claim made or suit brought which is excluded under the terms of this endorsement the Company shall not have the obligation to defend, adjust, investigate or pay any cost for investigation, defense, attorney fees or adjustment arising out of such claims.

INDEPENDENT CONTRACTOR INSURANCE AGREEMENT

It is agreed that the following Condition is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

10. a. It is agreed that any independent contractors or subcontractors utilized by you shall have insurance of the type described in the Schedule below and with limits of insurance equal to or greater than those shown in the Schedule below.
- b. It is further agreed that you will obtain a certificate of insurance from your independent contractors or subcontractors stating that you have been named as an additional insured on the independent contractor's or subcontractor's insurance policy.

INDEPENDENT CONTRACTORS PRIMARY INSURANCE SCHEDULE

COVERAGE

Commercial General Liability

LIMITS OF INSURANCE

General Aggregate Limit (Other than Products-Completed Operations)	\$ 1,000,000.00
Products-Completed Operations Aggregate Limit	\$ 1,000,000.00
Personal and Advertising Injury Limit	\$ 1,000,000.00
Each Occurrence Limit	\$ 1,000,000.00

Your failure to obtain the certificates of insurance as described above will not invalidate the insurance provided by this policy or relieve us of our obligation to you under the terms of this policy except as stated below. However, for the purposes of determining the earned premium at audit, we will apply the rate shown for sales on the COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS against the amount of subcontracted work for which you did not obtain a certificate of insurance.

It is further agreed that 4. Other Insurance and 5. Premium Audit as shown under SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS are amended with the addition of the following additional conditions:

4. Other Insurance. Section b. Excess Insurance

This insurance is excess over any other insurance available to you as an additional insured from any independent contractor or subcontractor or on any other basis, whether such insurance is primary, excess, or contingent:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OVER THE ROAD EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Notwithstanding any provision in the policy to the contrary, it is agreed that this insurance does not apply to "bodily injury" or "property damage" arising from mobile equipment owned by, rented to, or controlled by the insured, whether or not self-propelled, while said mobile equipment is in transit upon the public road, streets, or highways, or while in transit to a destination at which said mobile equipment is to be used, whether or not temporarily stationary on or upon public or private property.

Nothing herein shall be deemed to expand coverage to include coverage for vehicles or trailers used for the transportation of said mobile equipment, nor shall this endorsement be deemed by inference to expand upon any coverage which may be granted.

CALIFORNIA DISCLOSURE NOTICE

"NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINES" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED COMPANIES.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINES" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**

Effective Date: 02/11/2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MICROORGANISMS, BIOLOGICAL ORGANISMS OR
ORGANIC CONTAMINANTS EXCLUSION
(GENERAL LIABILITY BROAD FORM)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to:

- (1) Liability, injury or damages of any kind, to include but not limited to "bodily injury", "property damage", "personal and advertising injury" arising out of, related to, caused by or in any way connected with the exposure to, presence of, formation of, existence of or actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any microorganisms, biological organisms or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast or other toxins, allergens, infectious agents, wet or dry rot or rust, or materials of any kind containing them at any time, regardless of the cause of growth, proliferation or secretion.

Or;

- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of microorganisms, biological organisms or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast, or other toxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of microorganisms, biological organisms or organic contaminants, including but not limited to mold, mildew, fungus, spores, yeast, or other toxins, allergens, infectious agents, wet or dry rot or rust, or any materials containing them at any time, regardless of the cause of growth, proliferation or secretion.

We shall have no duty to investigate, defend or indemnify any insured against any loss, claim, "suit" or other proceeding alleging injury or damages of any kind, to include but not limited to "bodily injury", "property damage", "personal injury and advertising injury" to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

It is agreed the Named Insured as shown on the Common Policy Declarations includes the following Named Insure

SAMSON AUTO SALVAGE
ADLEN FAMILY LIMITED PARTNERSHIP
AADLEN BROTHERS AUTO WRECKING
U-PICK PARTS
A FOREIGN U-PICK U-PULL WRECKING
CALIFORNIA CAR HIKERS
BROTHERS AUTO SALE
BROTHERS AUTO WRECKING
AMERICAN TRUCK SALVAGE
UNIVERSAL AUTO WRECKING
ADLEN GROUP ENTERPRISES
NATHAN B. ADLEN
DOROTHY ADLEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DOG EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" caused in whole or in part by any dog owned by, leased to, or in the care, custody or control of an insured or a security firm used by you.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental

physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) Your product";
- (2) "Your work"; or
- (3) Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or

- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

- c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in a. above;
- (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or

on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;

- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions.



ADMIRAL INSURANCE COMPANY

A Stock Company

EXCESS LIABILITY POLICY

THIS POLICY IS NOT OBTAINED PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

THIS POLICY CONSISTS OF:

- DECLARATIONS
- EXCESS POLICY FORM
- SCHEDULE OF "UNDERLYING INSURANCE"
- APPLICABLE FORMS AND ENDORSEMENTS

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President and CEO

ADMIRAL INSURANCE COMPANYA STOCK COMPANY
(herein called "the Company")**EXCESS LIABILITY POLICY
DECLARATIONS**Policy No.: EX000001853-01Renewal/Rewrite of: NEW BUSINESS

Named Insured and Mailing Address

Insured Name Samsons Auto Salvage
Street Address 8103 S. Alameda Street
City, State Zip Los Angeles, CA 90001*TO BE
CORRECTED*

POLICY PERIOD: From 02/11/2005 to 02/11/2003 At 12:01 A.M. Standard Time at the address of the Named Insured as stated herein

In consideration of the payment of premium, in reliance upon the statements herein or attached hereto, and subject to all of the terms of this policy, the Company agrees with the Named Insured as follows:

THE NAMED INSURED IS: ☐ Individual; ☒ Partnership; ☐ Corporation; ☐ Joint Venture; ☐ OtherAUDIT PERIOD: ☐ Annual ☐ Semi-Annual ☐ Quarterly ☐ Monthly

Item I: Limits of Insurance:

Each "Loss Event" \$2,000,000
Policy Aggregate Limit: \$2,000,000

Item II: Rating Basis (If Subject to Audit)

Premium Basis: Gross Receipts

Rate: \$4.20 per \$1,000

Item III: Premium

Deposit Premium	\$45,000.00
Terrorism Premium	\$N/A
Total Premium	\$45,000.00

(If adjustable, Total Premium is Minimum & Deposit)

Item IV: Minimum Retained Premium

Company to retain no less than 25% of the Total Premium if the Insured cancels

Item V: Forms attached at inception:

See Schedule of Forms AI 00 18 03 98

This policy is not binding unless countersigned by ADMIRAL INSURANCE COMPANY or it's Authorized Representative.

Countersigned On: March 21, 2005At: Cherry Hill, NJBy: James S. Carey
Authorized Representative

Insured' s Copy

THE FOLLOWING SCHEDULE OF "UNDERLYING INSURANCE" IS INCORPORATED INTO AND MADE PART OF THE DECLARATIONS TO WHICH IT IS ATTACHED. IT IS ALSO AGREED THAT THE FOLLOWING "UNDERLYING INSURANCE" IS IN FORCE AS COLLECTIBLE INSURANCE FOR THE LIMITS OF INSURANCE STATED BELOW.

SCHEDULE OF "UNDERLYING INSURANCE"

The Coverage listed below is "Controlling Underlying Insurance" if the "Controlling Underlying Insurance" box is marked with an X. If there is no Coverage designated on this Schedule of "Underlying Insurance" as "Controlling Underlying Insurance" then any Coverage attaching directly beneath us will be deemed "Controlling Underlying Insurance".

Commercial General Liability

☒ "Controlling Underlying Insurance"

Company: Admiral Insurance Company

Minimum Applicable Limits of Insurance

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal And Advertising Injury	\$1,000,000

Commercial Auto Liability

☒ "Controlling Underlying Insurance"

Company: Ace American Insurance Company

Minimum Applicable Limits of Insurance

Any One Accident or Loss	\$1,000,000
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Employers' Liability

☒ "Controlling Underlying Insurance"

* State Law requires that this "underlying insurer" provide unlimited Employers Liability Coverage for exposures in Massachusetts and New York. This policy does not apply to any injury or damage arising out of, resulting from, caused or contributed to by employments which are subject to such laws.

Company: California State Compensation Fund

Minimum Applicable Limits of Insurance

Bodily injury by accident	\$1,000,000	Each Accident
Bodily injury by disease	\$1,000,000	Each Employee
Bodily injury by disease	\$1,000,000	Policy Limit

SCHEDULE OF FORMS

Named Insured: Samsons Auto Salvage

Policy No.: EX000001853-01

FORM NUMBER	TITLE
EX 46 22 06 03	EXCESS POLICY JACKET
DE 20 27 06 03	EXCESS LIABILITY POLICY DECLARATIONS
DE 20 28 06 03	SCHEDULE OF "UNDERLYING INSURANCE"
AI 00 18 03 98	SCHEDULE OF FORMS
EX 46 21 06 03	EXCESS LIABILITY POLICY FORM
EX 47 35 12 02	EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM
AP 79 02 06 95	SERVICE OF SUIT STATE OF CALIFORNIA
AI 07 34 01 99	CALIFORNIA DISCLOSURE NOTICE
EX 47 01 06 03	EXCLUSION - TOTAL CARE, CUSTODY AND CONTROL
EX 49 00 06 03	DEFENSE COST AMENDMENT
EX 47 03 06 03	EXCLUSION - EMPLOYEE BENEFITS LIABILITY
EX 47 09 06 03	EXCLUSION - ABUSE OR MOLESTATION
EX 47 38 06 03	EXCLUSION - ASSAULT & BATTERY

EXCESS LIABILITY POLICY

THE COMPANY'S SUPPLEMENTARY PAYMENTS ARE INCLUDED IN THE DEFINITION OF "ULTIMATE NET LOSS". "ULTIMATE NET LOSS" IS SUBJECT TO THE LIMITS OF INSURANCE OF THIS POLICY. PLEASE REFER TO SECTION IV - DEFINITIONS AND SECTION II - LIMITS OF INSURANCE.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section IV-Definitions and relevant references in the text of this policy.

SECTION I - EXCESS LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay on behalf of the "insured" the "ultimate net loss" in excess of the "underlying insurance limit" because of injury or damage caused by a "loss event" to which this insurance applies provided:
 - (1) The aggregate amount of all limits of "Underlying Insurance", as shown in the Schedule of Underlying, has been exhausted by payment of judgments, settlements, costs or expenses; and
 - (2) The "loss event" occurs or is committed during the policy period.

However, this insurance does not apply to:

- (a) Any sums for which the "insured" is legally liable, costs or expenses arising out of, caused by or contributed to by any injury or damage, whether such injury or damage is known or unknown:
 - i. Which first occurred prior to the inception date of this policy; or
 - ii. Which are, or are alleged to be, in the process of occurring or being committed as of the inception date of the policy even if the injury or damage continues to occur or continues to be committed during this policy period.
- (b) Any sums for which the "insured" is legally liable, costs or expenses arising out of or related to any injury or damage, whether known or unknown, which are in the process of settlement, adjustment or "suit" as of the inception date of this policy.

- b. Except to the extent any terms, definitions, limits of insurance, conditions or exclusions of the "controlling underlying insurance" are different from any terms, definitions, limits of insurance, conditions or exclusions of this policy, this policy will provide the same coverage for "ultimate net loss" as provided by the "controlling underlying insurance". If any terms, definitions, limits of insurance, conditions or exclusions of this policy are more restrictive than those of the "controlling underlying insurance", then this policy's terms, definitions, limits of insurance, conditions or exclusions will apply. However, under no circumstance will this policy provide broader coverage than that provided by the "underlying insurance".
- c. The amount we will pay for the "ultimate net loss" and any supplementary payments we may pay is limited as described in Section II - Limits of Insurance.

2. Defense

- a. We will have no duty to investigate or defend any claim or "suit". We will have the right and be given the opportunity to associate with any "insured" or "underlying insurer" in the investigation, settlement or defense of any claim or "suit" that may involve this insurance.
- b. At our discretion, we may investigate and settle any claim or "suit".
- c. If we exercise our rights as described in 2. a. and 2. b. above, we will pay, with respect to any claim we investigate or settle, or any "suit" against an "insured" we defend, the following supplementary payments:
 - (1) All expenses we incur, including but not limited to attorney fees;
 - (2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
 - (3) All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work,

- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person.
- (2) The spouse, child, parent, brother or sister of that employee; or any other person; as a consequence of injury to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies whether the "insured" may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

e. Mold, Fungi or Bacteria

- (1) Any injury or damage arising out of, resulting from, caused or contributed to by any actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any mold, "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss cost or expenses arising out of resulting from, caused or contributed to by the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, mold, "fungi" or bacteria, by any "insured" or by any other person or entity.
- (3) The cost or expense of compliance with any law or regulation regarding mold, "fungi" or bacteria.
- (4) Any obligation to share damages with or repay someone else in connection with (1), (2) or (3) of this exclusion.

This exclusion does not apply to any mold, "fungi" or bacteria that are on, or contained in, a good or product intended for consumption.

f. Lead

- (1) Any injury or damage arising out of, resulting from, caused or contributed to by any manufacturing, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to or testing for lead or products containing lead whether or not the lead is or was at any time airborne as a fiber

or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

- (2) Any loss, cost or expenses arising out of, resulting from, caused or contributed to by:
 - (a) The clean up or removal of lead or products and materials containing lead;
 - (b) Actions as may be necessary to monitor, assess and evaluate the release or threat of lead or products and material containing lead;
 - (c) Disposal of lead substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result; or
 - (d) Compliance with any law or regulation regarding lead.
- (3) Any obligation to share damages with or repay someone else in connection with (1) or (2) of this exclusion.

g. Named Insured versus Named Insured

Any injury or damages for which any Named Insured or its employees is legally liable and costs or expenses of any Named Insured or its employees arising out of caused or contributed to by any injury or damage claimed by any other Named Insured or its employees.

h. Nuclear

Any injury or damage arising out of, resulting from, caused or contributed to by any "nuclear material", "waste material", "radioactive material" or the "hazardous properties" of "nuclear material", "radioactive material" or "waste material" or from any radiation or "radioactivity".

As used in this exclusion:

"Hazardous Properties" include radioactive, toxic or explosive properties of "nuclear material", "radioactive material" and/or "waste material".

"Nuclear Material" means "source material", "special nuclear material" or "by-product material".

"Radioactive Material" means any materials which are radioactive or caused by or exhibit "radioactivity"

"Radioactivity" means the property possessed by some elements of spontaneously emitting alpha or beta rays and sometimes also gamma rays by the disintegration of the nuclei of atoms.

- (3) Any obligation to share damages with or repay someone else in connection with (1) or (2) of this exclusion.

k. Sublimited Coverage

Any claim for injury or damage under a coverage that is subject to a limit of insurance that is less than the limit shown in the Schedule of Underlying Insurance.

l. War

Injury or damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SECTION II – LIMITS OF INSURANCE

1. Subject to Item 2. and 3. below, the each "Loss Event" Limit shown in the Declarations is the most we will pay with respect to any one "loss event" to which this insurance applies.
2. The Policy Aggregate Limit shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made, "suits" brought, or number of vehicles involved; or
 - c. Persons or organizations making claims or bringing "suits".
3. The Policy Aggregate Limit is the most we will pay for:
 - a. The sum of all "ultimate net loss", except "ultimate net loss" because of injury or damage arising out of the ownership, maintenance or use of an auto if such auto is not subject to an aggregate in the "underlying insurance"; and
 - b. Each "loss event" as regards "ultimate net loss" because of injury or damage arising out of the ownership, maintenance or use of an auto if such auto is not subject to an aggregate in the "underlying insurance".

The Policy Aggregate Limit, as described in Paragraph 3. above, applies to the policy period, shown in the Declarations. Any extension of the policy period will be deemed part of the policy period that is being extended and therefore subject to the Policy Aggregate Limit.

SECTION III – CONDITIONS

1. Appeals

If the "underlying insurer" or "insured" elects not to appeal a judgment in excess of the applicable "underlying insurance limit", we may do so at our own expense. We will be liable for taxable costs, pre- and postjudgment interest and disbursements.

2. Bankruptcy

a. Bankruptcy Of Insured

Bankruptcy or insolvency of the "insured" or of the "insured's" estate will not relieve us of our obligations under this policy.

b. Bankruptcy Of Underlying Insurer

Bankruptcy of the "underlying insurer" will not relieve us of our obligations under this policy.

However, this insurance will not replace the "underlying insurance" in the event of bankruptcy or insolvency of the "underlying insurer". This insurance will apply as if the "underlying insurance" were in full effect.

3. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

- b. If this policy is auditable, the premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the Minimum Premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

12. Representations Or Fraud

By accepting this policy, you agree, represent and warrant that:

- a. The statements in the Declarations are accurate and complete;
- b. The statements and information contained in the application for insurance and any supplementary information are true and correct and that no facts have been suppressed or misstated;
- c. This policy is being issued in full reliance upon the statements and representations made in the application and any supplementary information;
- d. The application and any supplementary information are incorporated and made part of this policy by reference; and
- e. This policy is void in any case of fraud and or misrepresentation by you as it relates to this policy or any claim under this policy.

13. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each "insured" against whom claim is made or "suit" is brought.

14. Transfer Of Rights Of Recovery Against Others To Us

If the "insured" has rights to recover all or part of any payment we have made under this policy those rights are transferred to us. The "insured" must do nothing after loss to impair them. At our request, the "insured" will bring "suit" or transfer those rights to us and help us enforce them.

15. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named "insured".

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

16. No Duty To Notify If We Do Not Renew

If we decide not to renew this policy, we are under no obligation to mail or deliver to any "insured" notice of the nonrenewal.

17. Loss Payable

Liability under this policy shall not apply unless and until the "insured" or "insured's" "underlying insurer" has become obligated to pay the full and complete amount of the applicable "underlying insurance limit". Such obligation by the "insured" to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the "insured", claimant, and us.

18. Maintenance Of Underlying Insurance

You must maintain the "underlying insurance" affording in total the coverage and limits as stated in the schedule of "underlying insurance" in full force and effect during this policy period, except for reduction of aggregate limits, where applicable, solely as a result of the payment of claims, settlement, or judgments for acts, occurrences or offenses which;

- a. Take place during the policy period of this policy; and
- b. Are for injury or damage, costs or expenses covered by this policy.

You must notify us in writing within thirty days if any company replaces or changes any terms or conditions of any of the "underlying insurance". You must notify us immediately of the exhaustion of any aggregate limits of the "underlying insurance".

Policies or coverages written on a claims-made policy form or endorsement do not meet the requirements of

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising out of, resulting from, caused or contributed to by a "certified act of terrorism" or an "other act of terrorism". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":
 - a. The act resulted in aggregate losses in excess of \$5 million; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. In the event of any incident of a "certified act of terrorism" or an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this policy.

SERVICE OF SUIT STATE OF CALIFORNIA

Notwithstanding anything to the contrary contained in the printed form of this policy, it is agreed and understood that service of suit in the State of California may be made upon the following:

C T Corporation Systems
818 W. Seventh Street
Los Angeles, CA 90017

All other provisions of the service of suit clause remain unchanged.

CALIFORNIA DISCLOSURE NOTICE

"NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINES" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED COMPANIES.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINES" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – TOTAL CARE, CUSTODY AND CONTROL

This insurance does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed to by damage to property:

- a. You own, rent, or occupy including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
- b. Owned or transported by the "insured" and arising out of the ownership, maintenance or use of an auto.
- c. That involves premises you sell, give away or abandon, if the damage arises out of any part of those premises;
- d. Loaned to you;
- e. In the care, custody or control of the "insured";
- f. That involves a particular part of property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the damage arises out of those operations; or
- g. That involves a particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

As used in this exclusion:

"Your work" means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE COST AMENDMENT

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

- A. Paragraph 2. **Defense** of Section I - Excess Liability Coverage is deleted and replaced by the following:

2. Defense

- a. We will have no duty to investigate or defend any claim or "suit". We will have the right and be given the opportunity to associate with any "insured" or "underlying insurer" in the investigation, settlement or defense of any claim or "suit" that may involve this insurance.
- b. At our discretion, we may investigate and settle any claim or "suit".
- c. If we exercise our rights as described in 2. a. and 2. b. above, we will pay, with respect to any claim we investigate or settle, or any "suit" against an "insured" we defend, the following supplementary payments:
 - (1) All expenses we incur, including but not limited to attorney fees;
 - (2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
 - (3) All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work;
 - (4) All costs taxed against the "insured" in the "suit";
 - (5) Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer; and

- (6) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance

- d. When item 2. c. applies, and the costs of defending a claim and any other claim handling costs of the "underlying insurance" are in addition to its Limits of insurance, then the supplementary payment listed in item c. (1) through (6) above will not reduce our Limits of Insurance.
- e. When item 2. c. applies, and the costs of defending a claim and any other claim handling costs of the "underlying insurance" reduce its Limits of Insurance, then the supplementary payments listed in item c. (1) through (6) above, will reduce our Limits of Insurance.
- f. Subject to 2. d. or 2. e. above, whichever is applicable, if we exercise our rights as described in 2. a. and 2. b. above, we are under no obligation to continue any investigation, settlement or defense when we have used up the applicable Limits of Insurance of this policy.

- B. When item d. of Paragraph 2. **Defense** of Section I- Excess Liability Coverage applies, the Company's supplementary payments are not included in the definition of "ultimate net loss" and Definition 8. "Ultimate net loss" is amended to read as follows:

8. "Ultimate net loss":

- a. means the total sum, after reduction for recoveries or salvages collectible, that the insured becomes legally obligated to pay by reason of a judgement against the insured after actual trial, or alternative dispute resolution or by written agreement of the insured, the claimant or the claimant's legal representative and us; and
- b. Includes all interest on judgements paid by the "insured" or any "underlying insurer".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EMPLOYEE BENEFITS LIABILITY

This insurance does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed to by any act, error or omission of any "insured" or of any other person committed in the "administration" of an "employee benefit program".

As used in this exclusion:

"Administration" includes but is not limited to:

- a. Providing information to employees, including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any employee's participation in any benefit included in the "employee benefit program".

"Employee benefit program" means a program providing some or all of the following benefits to employees:

- a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ABUSE OR MOLESTATION

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

This insurance does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any "insured", or
2. The negligent:
 - a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to the proper authorities, or failure to so report; or
 - e. Retention;

of a person for whom any "insured" is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ASSAULT & BATTERY

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY POLICY

This insurance does not apply to injury or damage, costs or expenses; arising out of, resulting from, caused or contributed to by any:

1. Act of assault;
2. Act of battery;
3. Act or omission in connection with the prevention or suppression of acts of assault or acts of battery

by or at the direction of any "insured".

Lexington Insurance Company
BOSTON, MASSACHUSETTS

COMMERCIAL GENERAL LIABILITY POLICY
DECLARATIONS

MAR 31 2003

Policy No.: 4891872

Renewal of: NEW

Item 1. Named Insured and Address: (No., Street, Town or City, County, State)
Alden Family Limited Partnership DBA: Samson Auto Salvage
11590 Tuxford Street

Sun Valley, CA 90352-3112

Item 2. Policy Period: (Mo. Day Yr.) From: 02/11/03 to: 02/11/04
12:01 A.M., standard time at the address of the Named Insured as stated herein.
The Named Insured is:

Business of the Named Insured is:
Operates auto salvage yard

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Item 3. Limits of Insurance

Each Occurrence Limit	\$ 1,000,000	
Fire Damage Limit	\$ 50,000	- Any one fire
Personal & Advertising Injury Limit	\$ 1,000,000	- Any person or organization
General Aggregate Limit	\$ 3,000,000	
Products-Completed Operations Aggregate Limit	\$ 2,000,000	

Item 4. Location of all premises owned by, rented to or controlled by the Named Insured: As per application on file with Company

Interest of Named Insured in such premises: As per application on file with Company
Part occupied by Named Insured: As per application on file with Company


Item 5. Premium

<u>Classification Description</u>	<u>Premium Basis</u>	<u>Rate</u>	<u>Advance Premium</u>
(AS PER SCHEDULE)			

Total Advance Premium for This Policy: \$70,000
Annual Minimum Premium for this Policy: \$70,000
Minimum Earned Premium at Inception for this Policy: \$24,500

Item 6. Audit Period: Annual

Item 7. Forms and Endorsements attached hereto: As per Schedule attached.



Authorized Representative OR
Countersignature (In states where applicable)

FORMS SCHEDULE

Named Insured: THE ADLEN FAMILY LIMITED PARTNERSHIP

Policy No: 4891872

Effective Date: 02/11/2003

Form Number	Edition Date	Endorsement Number	Title
LX9104	07/97		CGL RATE SCHEDULE
LX9405	01/96		COMMERCIAL GL DEC PAGE
LX9406	01/96		G.L. COVERAGE FORM/OCC
LEX0CC194	04/90	ENDT#001	DEDUCTIBLE LIAB-OCCURRENCE
LX9109	07/97	ENDT#002	MINIMUM EARNED PREMIUM CGL
		ENDT#003	ACCIDENTAL DEATH AND DISMEMBER
		ENDT#004	DELETION OF WAR EXCLUSION
		ENDT#005	DELETION OF TERRORISM EXCLUSIO

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

Commercial General Liability Schedule of Rates/Advance Premium

<u>Classification Description</u>	<u>Premium Basis*</u>	<u>Rate*</u>	<u>Advance/Deposit Premium</u>
Operates auto salvage yard	receipt	\$8.43	\$70,000

* (s) per \$1,000 sales
(p) per \$1,000 payroll
(x) other (specify)

NOTICE

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NON-ADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II). Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for of "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

2. Exclusions.

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured

contract," reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage," provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
 - (a) At or from any premises, site or location, which is or was at any time owned or occupied by, or rented or loaned to, any insured;
 - (b) At or from any premises, site or location which is or was at any time

used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location, on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
 - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph (d)(i) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - (b) Claim or suit by or on behalf a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to; premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f. (2) or f. (3) of the definition of "mobile equipment."

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage to Property

"Property damage" to:

- (1) Property you own, rent or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product"; (2) "Your work"; or (3) "Impaired property"; if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

o. Employment Related Practices

Any claim alleging or asserting in any respect loss, injury, or damage (including consequential bodily injury) in connection with Wrongful Termination of an "employee" of the insured and/or Discrimination involving an "employee" of the insured and/or Sexual Harassment of an "employee" of the insured.

The following definitions apply to this exclusion:

"wrongful termination" means termination of an employment relationship in a manner which is against the law and wrongful, or in breach of an implied agreement to continue employment.

"discrimination" means termination of an employment relationship or a demotion, or a failure or refusal to hire or promote an individual because of race, color, religion, age, sex, disability, pregnancy or natural origin.

"sexual harassment" means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as a basis for employment decisions and/or (3) create a work environment that interferes with performance.

p. Securities and Financial Interest

Any claim alleging or asserting in any respect loss, injury or damage, in connection with the purchase or sale, the offer, solicitation, or advertising for the purchase or

sale, or the depreciation or decline in price or value, of any security, debt, deposit, or financial interest or instrument.

q. Asbestos

"Bodily injury" or "property damage" from sickness, disease, occupational disease, disability, shock, death, mental anguish, or mental injury, at any time arising out of the manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or

Any obligation of the insured to indemnify any party because of damages arising out of such "property damage", "bodily injury", sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or

Any obligation to defend any suit or claim against the insured alleging "bodily injury", sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury or "property damage" resulting from or contributed to, by any and all manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

r. Personal and Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any suit seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services; but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

- a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;

- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
 - (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or
 - (5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- b. "Advertising injury" arising out of:
- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - (2) The failure of goods, products or services to conform with advertised quality or performance;
 - (3) The wrong description of the price of goods, products or services; or
 - (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.
- c. Any loss, cost or expense arising out of any:
- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the "suit."
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit," we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit."

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages), such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a

- business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
- a. Your "employees," other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1) (a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees," any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also

an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - b. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for damages under Coverage A.
6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured; you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable. You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our

obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion 9. of Coverage A (Section 1).

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes an equal amount until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium and Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as Advance Premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. If the premium for this policy is a flat premium, it is not subject to adjustment, except that additional premiums may be required for any additional insureds or as provided for in Condition 9. Cancellation.
- d. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request. The first Named Insured shown on the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, earned premium will be calculated in accordance with the customary short-rate table and procedure, or the Minimum Earned Premium stated in the Declarations, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

10. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
 5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."
 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 7. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
 8. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."
10. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."
11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- 12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
 - 13. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
 - 14. "Products-completed operations hazard":
 - a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

15. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

16. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

17. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

18. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

19. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

SECTION VI. OTHER CONDITIONS

CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide the health or safety of workers or the public. And we do not warrant that conditions:
 1. Are safe or healthful; or
 2. Comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating advisory, rate service or similar organization which make insurance inspections, surveys, reports or recommendations.

TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case death of an individual named insured. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

SERVICE OF SUIT

In the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 200 State Street, Boston, Massachusetts, 02109 or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ARBITRATION

Notwithstanding the Service of Suit Condition above, in the event of a disagreement as to the interpretation of this policy, it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) Arbitrators, consisting of two (2) party-nominated (non-impartial) Arbitrators and a third (impartial) arbitrator (hereinafter "umpire") as the sole and exclusive remedy.

The party desiring arbitration of a dispute shall notify the other party, said notice including the name, address and occupation of the Arbitrator nominated by the demanding party. The other party shall within 30 days following receipt of the demand, notify in writing the demanding party of the name, address and occupation of the Arbitrator nominated by it. The two (2) Arbitrators so selected shall, within 30 days of the appointment of the second Arbitrator, select an umpire. If the Arbitrators are unable to agree upon an umpire, each Arbitrator shall submit to the other Arbitrator a list of three (3) proposed individuals, from which list each Arbitrator shall choose one (1) individual. The names of the two (2) individuals so chosen shall be subject to a draw, whereby the individual drawn shall serve as umpire.

The parties shall submit their cases to the panel by written and oral evidence at a hearing time and place selected by the umpire. Said hearings shall be held within thirty (30) days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three (3) panel members shall be binding and final and not subject to appeal except for grounds of fraud or gross misconduct by the Arbitrators. The award will be issued within 30 days of the close of the hearings. Each party shall bear the expenses of its designated Arbitrator and shall jointly and equally share with the other the expense of the umpire and of the arbitration proceeding.

The arbitration proceeding shall take place in or in the vicinity of Boston, Massachusetts. The procedural rules applicable to this arbitration, shall, except as provided otherwise herein, be in accordance with the Commercial Rules of the American Arbitration Association.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by a duly authorized representative of the Company.


SECRETARY


CHAIRMAN OF THE BOARD AND CEO

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

DEDUCTIBLE LIABILITY INSURANCE - PER OCCURRENCE

It is agreed that:

1. The Company's obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay "Ultimate Net Loss" on behalf of the "Insured", applies only to the "Ultimate Net Loss" in excess of any deductible amounts stated in the Schedule below as applicable to such coverages, and the limit of liability shown in this policy as being applicable to "Each Occurrence" for such coverages shall be reduced by the amount of such deductible. The limit of liability shown in this policy as "Aggregate", if any, for such coverages shall not be reduced by the application of such deductible amount.
2. PER OCCURRENCE BASIS - if the deductible is on a "Per Occurrence" basis, the deductible amount applies under the Bodily Injury Liability or Property Damage Liability Coverage, respectively to "Ultimate Net Loss" because of all "Bodily Injury" or "Property Damage" as a result of any one "Occurrence", regardless of the number of persons or organizations who sustain damages because of that "Occurrence".
3. The terms of the policy, including those with respect to (a) the Company's rights and duties with respect to the defense of suits and (b) the "Insured's" duties in the event of an "Occurrence" apply irrespective of the application of the deductible amount.
4. The Company may pay any part or all of the deductible amount to effect settlement of any "Claim" including expenses or suit and, upon notification of the action taken, the Named Insured shall promptly reimburse the Company for such part of the deductible amount as has been paid by the Company.

Bodily Injury Liability and	25,000	per occurrence
Property Damage Liability Combined		



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872


Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

MINIMUM EARNED PREMIUM

It is agreed that Commercial General Liability Condition 10., Subdivision e., is deleted in its entirety and the following is substituted therefor:

If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata. If the first Named Insured cancels, earned premium will be computed in accordance with the customary short-rate table and procedure subject to a Minimum Earned Premium of \$24,500



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

8

THIS ENDORSEMENT ADDS ACCIDENT INSURANCE TO THE POLICY, PLEASE READ IT CAREFULLY.

ACCIDENT INSURANCE ENDORSEMENT

The Policy is amended as follows:

I. ACCIDENT INSURANCE DECLARATIONS - The following declarations are added to the policy and apply only with respect to the coverage provided by this endorsement:

- (a) Accident Insurance Effective Date: Same as Policy Effective Date
- (b) Classification of Eligible Persons: All Employees of the Named Insured working at least 20 hours per week and who are permanently employed inside the U.S.
- (c) Covered Activity (ies): Coverage is provided for Injury sustained by a Covered Person while the Covered Person is actively performing the duties of his or her occupation for the Named Insured.
- (d) Principal Sum Amount (per Covered Person): \$50,000
- (e) Accident Insurance Aggregate Limit: \$250,000 per accident

Words and phrases that appear in bold face print in this endorsement have special meaning within this endorsement. Refer to the Accident Insurance Declarations above and the definitions section below.

THIS ENDORSEMENT PROVIDES ACCIDENT ONLY COVERAGE. IT DOES NOT COVER SICKNESS OR DISEASE.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

II. ACCIDENT INSURANCE - The following Accident Insurance Coverage is added to the Policy. The provisions hereunder apply only with respect to the Accident Insurance provided by this endorsement:

A. ACCIDENT INSURANCE INSURING AGREEMENT

We will pay a benefit to the Covered Person (or, in the event of death, to the Covered Person's beneficiary) if that Covered Person suffers a loss covered under this endorsement arising from an Injury that results from an accident that occurs on or after the Accident Insurance Effective Date and during a Covered Activity. The Principal Sum Amount and the Covered Activity(ies) applicable to each Covered Person are set out in the Schedule. The benefit amount payable is subject to the Accident Insurance Reduction Schedule found below.

Accidental Death & Dismemberment and Paralysis Benefit. If Injury to a Covered Person results, within 365 days of the date of the accident that caused the Injury, in that Covered Person suffering any one of the losses or any type of paralysis specified below, the benefit we will pay will be based upon the indicated percentage of the Principal Sum Amount shown below for that loss or paralysis:



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

For Loss of: Percentage of Principal Sum Amount Payable
Life

.....100%
Both Hands or Both
Feet.....100%
Sight of Both
Eyes.....100%
One Hand and One
Foot.....100%
One Hand and the Sight of One Eye
.....100%
One Foot and the Sight of One
Eye.....100%
Speech and Hearing in Both Ears
.....100%
One Hand or One
Foot.....50%
Sight of One Eye
.....50%
Speech or Hearing in Both Ears
.....50%
Hearing in One Ear
.....25%
Thumb and Index Finger of Same
Hand.....25%
Quadriplegia
.....100%
Paraplegia
.....



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

.....50%

Hemiplegia

.....25%

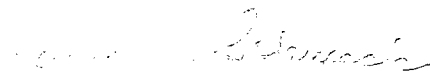
Loss of a hand or foot means complete severance through or above the wrist or ankle joint. Loss of sight of an eye means total and irrecoverable loss of the entire sight in that eye. Loss of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. Loss of speech means total and irrecoverable loss of the entire ability to speak. Loss of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

If more than one loss or paralysis is sustained by a Covered Person as a result of the same accident, only one amount, the largest, will be paid.

B. ACCIDENT INSURANCE EXCLUSIONS

No coverage shall be provided under this endorsement and no payment shall be made for any loss resulting in whole or in part from, or contributed to by, or as a natural and probable consequence of any of the following excluded risks even if the proximate or precipitating cause of the loss is an accidental bodily injury:

1. suicide or any attempt at suicide or intentionally self-inflicted Injury or any attempt at intentionally self-inflicted Injury or any act of autoeroticism.
2. sickness or disease, or mental incapacity or bodily infirmity whether the loss results directly or indirectly from any of these.
3. the Covered Person's commission of or attempt to commit a crime.
4. declared or undeclared war, or any act of declared or undeclared war regardless of whether the Policy to which this endorsement is attached provides such coverage.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

5. infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes.

6. full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Unearned premium for any period for which the Insured is not covered due to his or her active duty status will be refunded) (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded).

7. travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the Covered Person is:

a) riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or

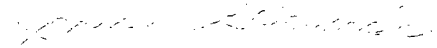
b) performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or

c) riding as a passenger in an aircraft owned, leased or operated by the Named Insured or the Covered Person's employer.

8. the Covered Person being under the influence of intoxicants.

9. the Covered Person being under the influence of drugs unless taken under the advice of and as specified by a Physician.

10. the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment.



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11. stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis; aneurysm.

12. the Covered Person riding in or driving any type of motor vehicle as part of a speed contest or scheduled race, including testing such vehicle on a track, speedway or proving ground.

C. ACCIDENT INSURANCE LIMITATIONS

Accident Insurance Aggregate Limit - The maximum amount payable under the Accidental Death & Dismemberment and Paralysis Benefit may be reduced if more than one Covered Person suffers a loss or paralysis as a result of the same accident. The maximum amount payable for all such losses and types of paralysis for all Covered Persons will not exceed the amount shown as the Accident Insurance Aggregate Limit in the Schedule. If the combined maximum amount otherwise payable for all Covered Persons must be reduced to comply with this provision, the reduction will be taken by applying the same percentage of reduction to the individual maximum amount otherwise payable for each Covered Person for all such losses and types of paralysis. The Accident Insurance Aggregate Limit is in addition to the Policy's General Aggregate Limit.

Accident Insurance Reduction Schedule - The amount payable for a loss will be reduced if a Covered Person is age 70 or older on the date of the accident causing the loss. The amount payable for that Covered Person's loss is a percentage of the amount that would otherwise be payable, according to the following schedule:

AGE ON DATE OF ACCIDENT PERCENTAGE OF AMOUNT OTHERWISE PAYABLE

70-74 65%

75-79 45%

80-84 30%

85 and older 15%

Premium for a Covered Person age 70 or older is based on 100% of the coverage that would be in effect if the Covered Person were under age 70.



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D. ACCIDENT INSURANCE DEFINITIONS

Covered Activity (ies) - means those activities set out as Covered Activity (ies) in the Schedule with respect to which Covered Persons are provided coverage under this endorsement.

Covered Person - means a person: (1) who is a member of an eligible class of persons as described in the Classification of Eligible Persons section of the Schedule; (2) for whom premium has been paid; and (3) while such person's coverage under this endorsement is in force.

Hemiplegia means the complete and irreversible paralysis of the upper and lower Limbs of the same side of the body.

Immediate Family Member - means a person who is related to the Covered Person in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

Injury - means an injury to the body: (1) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's accident coverage is in force; (2) which occurs under the circumstances described in a Covered Activity applicable to that person; and (3) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss under this endorsement.

Limb means entire arm or entire leg.

Paraplegia means the complete and irreversible paralysis of both lower Limbs.

Physician - means a licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the Covered Person; (2) an Immediate Family Member; or (3) retained by the Named



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Insured. Quadriplegia means the complete and irreversible paralysis of both upper and both lower Limbs.

Schedule - means the Accident Insurance Declarations section of this endorsement.

E. ACCIDENT INSURANCE CLAIMS PROVISIONS

Notice of Claim. Written notice of a claim for benefits must be given to us within 20 days after a Covered Person's loss, or as soon thereafter as reasonably possible. Notice given by or on behalf of the claimant to us in care of AIG Claim Services, P.O. Box 15701, Wilmington, DE 19850-5701, or by calling 1-800-551-0824 with information sufficient to identify the Covered Person, is deemed notice to us.

Claim Forms. We will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within 15 days after the giving of notice of a claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed herein for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the Covered Person's name, the Named Insured's name and the Policy number.

Proof of Loss. Written proof of loss must be furnished to us within 90 days after the date of the loss. If the loss is one for which this endorsement requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as we may reasonably require. Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.

Payment of Claims. Upon receipt of due written proof of death, payment for loss of life of a Covered Person will be made, in equal shares, to the survivors in the first surviving class of those that



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follow: the Covered Person's (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the Covered Person's estate.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the Covered Person suffering the loss. If a Covered Person dies before all payments due have been made, the amount still payable will be paid as described above for loss of life.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his or her property, a payment not exceeding \$1,000 may be made, at our option, to any relative by blood or connection by marriage of the payee, who, in our opinion, has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment we make in good faith fully discharges our liability to the extent of the payment made.

Time of Payment of Claims. Benefits payable for any loss other than loss for which this endorsement provides any periodic payment will be paid immediately upon our receipt of due written proof of the loss. Subject to our receipt of due written proof of loss, all accrued benefits for loss for which this endorsement provides periodic payment will be paid at the expiration of each month during the continuance of the period for which we are-~~o~~ liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.

Physical Examination and Autopsy. We at our own expense have the right and opportunity to examine the person of any individual whose loss is the basis of claim hereunder when and as often as we may reasonably require during the pendency of the claim and to make an autopsy in case of death where it is not forbidden by law.

F. ACCIDENT INSURANCE ADDITIONAL PROVISIONS

Covered Person's Effective Date. A Covered Person's coverage under



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this endorsement begins on the latest of: (1) the Accident Insurance Effective Date; (2) the date the person becomes a member of an eligible class of persons as described in the Classification of Eligible Persons section of the Schedule; or (3) the date the appropriate premium is paid for the Covered Person.

Covered Person Termination Date. A Covered Person's coverage under this endorsement ends on the earliest of: (1) the date the Policy is terminated; (2) the date this endorsement is terminated; or (3) the date the Covered Person ceases to be a member of any eligible class of persons as described in the Classification of Eligible Persons section of the Schedule.

Termination of coverage will not affect a claim for a covered loss that occurred while the Covered Person's coverage under this endorsement was in force.

All other terms, conditions, and exclusions of the Policy shall remain unchanged.

AUTHORIZED REPRESENTATIVE



Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT # 004

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

WAR EXCLUSION


This endorsement modifies insurance provided under the following:

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

This exclusion supercedes any exclusion pertaining to war, which may be in the Policy.

All other terms and conditions remain as written.

LEXDOC


Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT # 005

This endorsement, effective 12:01 AM 02/11/2003

Forms a part of policy no.: 4891872

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP

By: LEXINGTON INSURANCE COMPANY

DELETION OF TERRORISM EXCLUSION

If the Policy contains an exclusion or exclusions with respect to any occurrence, claim, injury or damage arising out of, terrorism, such exclusion or exclusions are hereby deleted.

The Premium charge for coverage for Acts of Terrorism is 3 % of the Policy Premium shown on the Declarations Page.

All other terms and conditions remain as written.



**Authorized Representative OR
Countersignature (In states where applicable)**

LEXDOC

LEXINGTON INSURANCE COMPANY
Administrative Offices: 100 Summer Street, Boston, Massachusetts 02110-2103
(hereinafter called the Company)
COMMERCIAL GENERAL LIABILITY POLICY
DECLARATIONS

Policy No.: 4892144

Renewal of: 4891872

RECEIVED

Item 1. Named Insured and Address: (No., Street, Town or City, County, State)
Alden Family Limited Partnership DBA: Samson Auto Salvage
8103 Alameda Street

MAR 23 04

Los Angeles

CA 90001

All Comm Ins

Item 2. Policy Period: (Mo. Day Yr.) From: 02/11/04 to: 02/11/05
12:01 A.M., standard time at the address of the Named Insured as stated herein.

The Named Insured is:

Business of the Named Insured is:
Operates auto salvage yard

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Item 3. Limits of Insurance

Each Occurrence Limit	\$ 1,000,000	
Fire Damage Limit	\$ 50,000	- Any one fire
Personal & Advertising Injury Limit	\$ 1,000,000	- Any person or organization
General Aggregate Limit	\$ 3,000,000	
Products-Completed Operations Aggregate Limit	\$ 2,000,000	

Item 4. Location of all premises owned by, rented to or controlled by the Named Insured: As per application on file with Company

Interest of Named Insured in such premises: As per application on file with Company

Part occupied by Named Insured: As per application on file with Company

Item 5. Premium

<u>Classification Description</u>	<u>Premium Basis</u>	<u>Rate</u>	<u>Advance Premium</u>
(AS PER SCHEDULE)			

Total Advance Premium for This Policy: \$80,085

Annual Minimum Premium for this Policy: \$80,085

Minimum Earned Premium at Inception for this Policy: \$28,030

Item 6. Audit Period: Annual

Item 7. Forms and Endorsements attached hereto: As per Schedule attached.



Authorized Representative OR
Countersignature (In states where applicable)

FORMS SCHEDULE

Named Insured: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

Policy No: 4892144

Effective Date: 02/11/2004

Form Number	Edition Date	Endorsement Number	Title
LX9104	07/97		CGL RATE SCHEDULE
LX9405	01/96		COMMERCIAL GL DEC PAGE
LX9641	09/03		CGL OCCURRENCE
LX9109	07/97	001	MINIMUM EARNED PREMIUM CGL
LX9568	01/03	002	ACCIDENT INSURANCE ENDORSEMENT
LX9593	04/03	003	DEDUCTIBLE LIABILITY INSURANCE
LX9584	02/03	004	FUNGUS/MOLD EXCLUSION
LEXCME094	03/86	005	PROFESSIONAL LIABILITY EXCL
LX9580	01/03	006	TOTAL TERRORISM EXCLUSION
LX7100	02/02	007	NUCLEAR ENERGY EXCL CU 21 23
LX7032	01/96	008	TOTAL POLLUTION EXCL CG2149

ENDORSEMENT

By: LEXINGTON INSURANCE COMPANY

Commercial General Liability Schedule of Rates/Advance Premium

* (s) per \$1,000 sales
(p) per \$1,000 payroll
(x) other (specify)

NOTICE

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NON-ADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**

LEXINGTON INSURANCE COMPANY

Administrative Offices: 100 Summer Street, Boston, Massachusetts 02110-2103

**COMMERCIAL GENERAL LIABILITY POLICY
OCCURRENCE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy.

The words "we", "us" and "our" refer to the company providing this insurance. The word insured means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED. Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION IV - DEFINITIONS.

SECTION I COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages because of "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured described in Paragraph 1 of SECTION II - WHO IS AN INSURED and no "employee" authorized by you to give or receive notice of an "occurrence", claim or "suit", knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the "policy period".
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of SECTION II. WHO IS AN INSURED or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of SECTION II - WHO IS AN INSURED or any "employee" authorized by you to give or receive notice of an "occurrence", claim or "suit":
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services, loss of consortium or death resulting at any time from the "bodily injury".

2. Exclusions.

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

(1) "Bodily injury" to an "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) Any claim or "suit" brought by the spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location, which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire",

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location, on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This

exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, disposal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" not otherwise excluded that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on or on the ways next to premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or any insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f. (2) or f. (3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising directly or indirectly out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

This exclusion does not apply to a certified act of terrorism defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments thereto.

j. Damage to Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. However, a separate Limit of Insurance applies to Damage To Premises Rented To You as described in SECTION III - LIMITS OF INSURANCE.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

I. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in SECTION III - LIMITS OF INSURANCE.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Fungus/Mold

"Bodily injury" or "property damage" or any other loss, cost or expense, including, but not limited to losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- (1) Any "fungus(i)", "molds(s)", mildew or yeast, or
- (2) Any "spore(s)" or toxins created or produced by or emanating from such fungus(i), "mold(s)", mildew or yeast, or
- (3) Any substance, vapor, gas, or other emission or organic or inorganic body substance produced by or arising out of any "fungus(i)", "mold(s)", mildew or yeast, or
- (4) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "fungus(i)", "mold(s)", mildew, yeast or "spore(s)" or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that "bodily injury" or "property damage", loss, cost or expense.

For the purpose of this exclusion, the following definitions are added to the Policy:

"Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including molds, rusts, mildews, smuts, and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter of on living organisms, and fungi that produce molds.

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants, organisms or microorganisms.

q. Employment Related Practices

Any claim or "suit" alleging or asserting in any respect loss, injury, or damage (including consequential bodily injury) in connection with "wrongful termination" of your "employees" and/or "discrimination" involving your "employees" and/or "sexual harassment" of your "employees".

The following definitions apply to this exclusion:

"Wrongful termination" means termination of an employment relationship in a manner which is against the law, wrongful, or in breach of an implied or written agreement to continue employment.

"Discrimination" means termination of an employment relationship or a demotion, or a failure or refusal to hire or promote an individual because of race, color, religion, age, sex, disability, pregnancy, natural origin, sexual orientation or other protected category or characteristic established pursuant to any applicable United States federal, state, or local statute or ordinance.

"Sexual harassment" means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as a basis for employment decisions and/or (3) create a work environment that interferes with performance.

r. Asbestos

- (1) "Bodily injury" in any way arising out of the use by any person or organization of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or
- (2) "Property damage" to real property arising out of the use by any person or organization of asbestos, asbestos products, asbestos fibers, asbestos dust, including without limitation the costs incurred with respect to the removal or abatement of asbestos, asbestos products, asbestos fibers or asbestos dust from or in such real property.
- (3) Any obligation of the insured to indemnify any party because of damages arising out of such "property damage", "bodily injury", sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or
- (4) Any obligation to defend any suit or claim against the insured alleging "bodily injury", sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury or "property damage" resulting from or contributed to, by any and all manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

s. Lead

- (1) "Bodily Injury" or "Property Damage", for past, present or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, ingestion of or testing for, lead whether or not the lead is or was at any time airborne as a particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever;
- (2) The costs of clean up or removal of lead or products and materials containing lead;
- (3) The costs of such actions as may be necessary to monitor, assess and evaluate the release or threat of same, or lead or products and material containing lead;
- (4) The cost of disposal of lead substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;
- (5) The cost of compliance with any law or regulation regarding lead.

t. Nuclear

- (1) "Bodily Injury" or "Property Damage":
 - (a) With respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association or Canada or any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the insured is or, had this policy not been issued, would be, entitled to indemnify from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency of there with any person or organization.
- (2) "Bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:
 - (a) The "nuclear material" (i) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (ii) has been discharged or dispersed therefrom;
 - (b) The "nuclear material" is contained in "spent fuel" or "waste" at anytime possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the insured; or
 - (c) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (2) (c) applies only to "property damage" to such "nuclear facility" and any property thereat.
- (3) "Bodily injury" or "property damage" resulting from the intentional or unintentional detonation of any nuclear bomb or nuclear device.
- (4) As used in this exclusion, the following definitions apply;
 - (a) "Hazardous properties" include radioactive, toxic or explosive properties.
 - (b) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
 - (c) "Source material", "special nuclear material" and "by-product material" have the meanings given them in Atomic Energy Act of 1954 or in any law amendatory thereof;

- (d) "Spent fuel" means any fuel element of fuel component, solid or liquid which has been used or exposed to radiation in a "nuclear reactor";
- (e) "Waste" means any waste material (i) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (ii) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
- (f) "Nuclear facility" means;
 - (i) Any "nuclear reactor";
 - (ii) Any equipment or device designed or used for (a) separating the isotopes or uranium or plutonium, (b) processing or utilizing "spent fuel", or (c) handling, processing or packaging "waste"
 - (iii) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (iv) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste".

And includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

u. Securities and Financial Interest

Any claim alleging or asserting in any respect loss, injury or damage, in connection with the purchase or sale, the offer, solicitation, or advertising for the purchase or sale, or the depreciation or decline in price or value, of any security, debt, deposit, or financial interest or instrument.

v. Silica

- (1) "Bodily injury" in any way arising out of the use by any person or organization of or exposure to silica, silica products, silica fibers or silica dust; or
- (2) "Property damage" to real property arising out of the use by any person or organization of silica, silica products, silica fibers, silica dust, including without limitation the costs incurred with respect to the removal or abatement of silica, silica products, silica fibers or silica dust from or in such real property.
- (3) Any obligation of the insured to indemnify any party because of damages arising out of such "property damage", "bodily injury", sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to silica, silica products, silica fibers or silica dust; or
- (4) Any obligation to defend any suit or claim against the insured alleging "bodily injury", sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury or "property damage" resulting from or contributed to, by any and all manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to silica, silica products, silica fibers or silica dust.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS COVERAGES A AND B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury"

b. **Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. **Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. **Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. **Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. **Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. **Quality Or Performance Of Goods - Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14. a., b. and c. of the definition of "personal and advertising injury" in SECTION IV - DEFINITIONS.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chat-rooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chat-room or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

Exclusions i. War, p. Fungus/Mold, q. Employment Related Practices, r. Asbestos, s. Lead, t. Nuclear, u. Securities and Financial Interest and v. Silica pertaining to COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY shall apply equally to this COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY.

SUPPLEMENTARY PAYMENTS COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All costs taxed against the insured in the "suit".
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. Interest on that part of any judgment we pay that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of SECTION I COVERAGES - COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in subparagraph 2. f. above, are no longer met.

SECTION II WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business, or to any claim or "suit" brought by the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of such injury.
- (b) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1) (a), above; or

- (c) Arising out of his or her providing or failing to provide professional health care services.
- (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
you, any of your "employees", or "voluntary workers"; or any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Policy.
- 3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
 - a. "Bodily injury" to a co"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
- 4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below establish the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - b. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for damages under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you, or in the case of a fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America, including its territories and possessions, Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because;
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

But "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- False arrest, detention or imprisonment;
 - Malicious prosecution;
 - The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - Oral or written publication of material that violates a person's right of privacy.
 - The use of another's advertising idea in your "advertisement"; or
 - Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard":
- Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - Products that are still in your physical possession; or
 - Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - When all of the work called for in your contract has been completed.
 - When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be deemed as completed.
- Does not include "bodily injury" or "property damage" arising out of:
 - The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.
17. "Property damage" means:
- Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property,

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product"
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
22. "Your work"
 - a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

SECTION V CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Policy.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured; you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b. Excess Insurance**, below, applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c. Method of Sharing**, below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to your cover liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Policy.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes an equal amount until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium and Audit.

- a. We will compute all premiums for this Policy in accordance with our rules and rates.
- b. If the premium for this policy is a flat premium, it is not subject to adjustment, except that additional premiums may be required for any additional exposure and/or insureds, or as provided for in Condition 9 Cancellation. The Premium shown in Item 4. A. of the Declarations as the Total Advance Premium is a deposit premium only. If the policy is subject to audit adjustment, the actual exposure base will be used to compute the earned premium. If the earned premium is greater than the Total Advance Premium, the first Named Insured will pay the difference to us due and payable upon notice. Subject to the Annual Minimum Premium shown in Item 4. B. of the Declarations, if the earned premium is less than the Total Advance Premium, we will return the difference to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request. The first Named Insured shown on the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (i) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, earned premium will be calculated in accordance with the customary short-rate table and procedure, or the Minimum Earned Premium at inception of the policy shown in Item 4. c. of the Declarations, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

10. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

11. Examination of your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during this policy period and up to three years afterward.

12. Change In Control

- a. If the first "Named Insured" designated in Item 1 of the Declarations consolidates with or merges into, or sells all or substantially all of its assets to any person or entity; or

- b. If any person or entity acquires an amount of the outstanding ownership interests representing more than 50% of the voting or designation power for the election of directors of the first "Named Insured" designated in Item 1 of the Declarations, or acquires the voting or designation rights of such an amount of ownership interests;

this policy will continue in full force and effect as to "bodily injury" and "property damage" that occur prior to the effective date of such transaction and "personal and advertising injury" caused by an "occurrence" that takes place prior to the effective date of such transaction. There will be no coverage afforded by this policy for "bodily injury" or "property damage" that occurs on or after the effective date such transaction and "personal and advertising injury" caused by an "occurrence" that takes place on or after the effective date of such transaction.

13. Inspections and Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful: or
- b. Comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating advisory, rate service or similar organization which make insurance inspections, surveys, reports or recommendations.

14. Transfer of your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

15. Service Of Suit

In the event of the failure of the Company to pay any amount claimed to be due hereunder, we, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver by us or our rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 or his or her representative, and that in any suit instituted us upon this policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance, and hereby designates the above named Counsel Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, MA 02110-2103, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

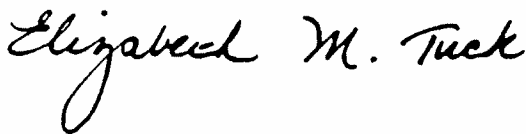
16. Arbitration

Notwithstanding Condition 15. Service of Suit, in the event of a disagreement as to the interpretation of this policy, it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) Arbitrators, consisting of two (2) party nominated (nonimpartial) Arbitrators and a third (impartial) arbitrator (hereinafter "umpire") as the sole and exclusive remedy. The party desiring arbitration of a dispute shall notify the other party, said notice including the name, address and occupation of the Arbitrator nominated by the demanding party. The other party shall within 30 days following receipt of the demand, notify the demanding party in writing of the name, address and occupation of the Arbitrator nominated by it. The two (2) Arbitrators so selected shall, within 30 days of the appointment of the second Arbitrator, select an umpire. If the Arbitrators are unable to agree upon an umpire, each Arbitrator shall submit to the other Arbitrator a list of three (3) proposed individuals, from which list each Arbitrator shall choose one (1) individual. The names of the two (2) individuals so chosen shall be subject to a draw, whereby the individual drawn shall serve as umpire.

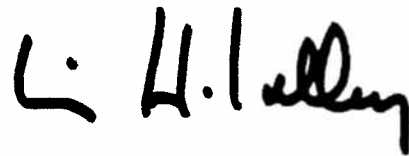
The parties shall submit their cases to the panel by written and oral evidence at a hearing time and place selected by the umpire. Said hearings shall be held within thirty (30) days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three (3) panel members shall be binding and final and not subject to appeal except for grounds of fraud or gross misconduct by the Arbitrators. The award will be issued within 30 days of the close of the hearings. Each party shall bear the expenses of its designated Arbitrator and shall jointly and equally share with the other the expense of the umpire and of the arbitration proceeding.

The arbitration proceeding shall take place in or in the vicinity of the Named Insured's address as shown in the Declarations or such other place as may be agreed to by the Named Insured and us. The procedural rules applicable to this arbitration, shall, except as provided otherwise herein, be in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by a duly authorized representative of the Company.



Secretary



Chairman of the Board and CEO

ENDORSEMENT # 001

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 4892144

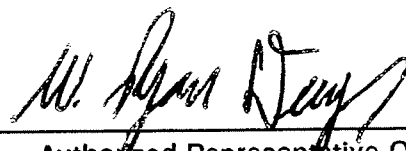
Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

MINIMUM EARNED PREMIUM

It is agreed that Commercial General Liability Condition 10., Subdivision e., is deleted in its entirety and the following is substituted therefor:

If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata. If the first Named Insured cancels, earned premium will be computed in accordance with the customary short-rate table and procedure subject to a Minimum Earned Premium of \$28,030 .



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 4892144

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

THIS ENDORSEMENT ADDS ACCIDENT INSURANCE TO THE POLICY, PLEASE READ IT CAREFULLY.

ACCIDENT INSURANCE ENDORSEMENT

The Policy is amended as follows:

I. **ACCIDENT INSURANCE DECLARATIONS** - The following declarations are added to the policy and apply only with respect to the coverage provided by this endorsement:

- (a) **Accident Insurance Effective Date**: Same as Policy Effective Date
- (b) **Classification of Eligible Persons**: All Employees of the Named Insured working at least 20 hours per week and who are permanently employed inside the U.S.
- (c) **Covered Activity (ies)**: Coverage is provided for **Injury** sustained by a **Covered Person** while the **Covered Person** is actively performing the duties of his or her occupation for the Named Insured.
- (d) **Principal Sum Amount (per Covered Person)**: \$50,000
- (e) **Accident Insurance Aggregate Limit**: \$250,000 per accident

Words and phrases that appear in bold face print in this endorsement have special meaning within this endorsement. Refer to the Accident Insurance Declarations above and the definitions section below.

THIS ENDORSEMENT PROVIDES ACCIDENT ONLY COVERAGE. IT DOES NOT COVER SICKNESS OR DISEASE.

- II. **ACCIDENT INSURANCE** - The following Accident Insurance Coverage is added to the Policy. The provisions hereunder apply only with respect to the Accident Insurance provided by this endorsement:

A. ACCIDENT INSURANCE INSURING AGREEMENT

We will pay a benefit to the **Covered Person** (or, in the event of death, to the **Covered Person's** beneficiary) if that **Covered Person** suffers a loss covered under this endorsement arising from an **Injury** that results from an accident that occurs on or after the **Accident Insurance Effective Date** and during a **Covered Activity**. The **Principal Sum Amount** and the **Covered Activity(ies)** applicable to each **Covered Person** are set out in the **Schedule**. The benefit amount payable is subject to the Accident Insurance Reduction Schedule found below.

Accidental Death & Dismemberment and Paralysis Benefit. If **Injury** to a **Covered Person** results, within 365 days of the date of the accident that caused the **Injury**, in that **Covered Person** suffering any one of the losses or any type of paralysis specified below, the benefit we will pay will be based upon the indicated percentage of the **Principal Sum Amount** shown below for that loss or paralysis:

<u>For Loss of:</u>	<u>Percentage of Principal Sum Amount Payable</u>
Life	100%
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot	100%
One Hand and the Sight of One Eye	100%
One Foot and the Sight of One Eye	100%
Speech and Hearing in Both Ears	100%
One Hand or One Foot	50%
Sight of One Eye	50%
Speech or Hearing in Both Ears	50%
Hearing in One Ear	25%
Thumb and Index Finger of Same Hand	25%
Quadriplegia	100%
Paraplegia	50%
Hemiplegia	25%

Loss of a hand or foot means complete severance through or above the wrist or ankle joint. Loss of sight of an eye means total and irrecoverable loss of the entire sight in that eye. Loss of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. Loss of speech means total and irrecoverable loss of the entire ability to speak. Loss of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

If more than one loss or paralysis is sustained by a **Covered Person** as a result of the same accident, only one amount, the largest, will be paid.

B. ACCIDENT INSURANCE EXCLUSIONS

No coverage shall be provided under this endorsement and no payment shall be made for any loss resulting in whole or in part from, or contributed to by, or as a natural and probable consequence of any of the following excluded risks even if the proximate or precipitating cause of the loss is an accidental bodily injury:

1. suicide or any attempt at suicide or intentionally self-inflicted Injury or any attempt at intentionally self-inflicted Injury or any act of autoeroticism.
2. sickness or disease, or mental incapacity or bodily infirmity whether the loss results directly or indirectly from any of these.
3. the **Covered Person's** commission of or attempt to commit a crime.

4. declared or undeclared war, or any act of declared or undeclared war regardless of whether the Policy to which this endorsement is attached provides such coverage.
5. infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes.
6. full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Unearned premium for any period for which the Insured is not covered due to his or her active duty status will be refunded) (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded).
7. travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the **Covered Person** is:
 - a) riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or
 - b) performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or
 - c) riding as a passenger in an aircraft owned, leased or operated by the Named Insured or the **Covered Person's** employer.
8. the **Covered Person** being under the influence of intoxicants.
9. the **Covered Person** being under the influence of drugs unless taken under the advice of and as specified by a **Physician**.
10. the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment.
11. stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis; aneurysm.
12. the **Covered Person** riding in or driving any type of motor vehicle as part of a speed contest or scheduled race, including testing such vehicle on a track, speedway or proving ground.

C. ACCIDENT INSURANCE LIMITATIONS

Accident Insurance Aggregate Limit - The maximum amount payable under the Accidental Death & Dismemberment and Paralysis Benefit may be reduced if more than one **Covered Person** suffers a loss or paralysis as a result of the same accident. The maximum amount payable for all such losses and types of paralysis for all **Covered Persons** will not exceed the amount shown as the **Accident Insurance Aggregate Limit** in the **Schedule**. If the combined maximum amount otherwise payable for all **Covered Persons** must be reduced to comply with this provision, the reduction will be taken by applying the same percentage of reduction to the individual maximum amount otherwise payable for each **Covered Person** for all such losses and types of paralysis. The **Accident Insurance Aggregate Limit** is in addition to the Policy's General Aggregate Limit.

Accident Insurance Reduction Schedule - The amount payable for a loss will be reduced if a **Covered Person** is age 70 or older on the date of the accident causing the loss. The amount payable for that **Covered Person's** loss is a percentage of the amount that would otherwise be payable, according to the following schedule:

AGE ON DATE OF ACCIDENT	PERCENTAGE OF AMOUNT OTHERWISE PAYABLE
70-74	65%
75-79	45%
80-84	30%
85 and older	15%

Premium for a **Covered Person** age 70 or older is based on 100% of the coverage that would be in effect if the **Covered Person** were under age 70.

D. ACCIDENT INSURANCE DEFINITIONS

Covered Activity (ies) - means those activities set out as **Covered Activity (ies)** in the **Schedule** with respect to which **Covered Persons** are provided coverage under this endorsement.

Covered Person - means a person: (1) who is a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; (2) for whom premium has been paid; and (3) while such person's coverage under this endorsement is in force.

Hemiplegia means the complete and irreversible paralysis of the upper and lower **Limbs** of the same side of the body.

Immediate Family Member - means a person who is related to the **Covered Person** in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

Injury - means an injury to the body: (1) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's accident coverage is in force; (2) which occurs under the circumstances described in a **Covered Activity** applicable to that person; and (3) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss under this endorsement.

Limb means entire arm or entire leg.

Paraplegia means the complete and irreversible paralysis of both lower **Limbs**.

Physician - means a licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the **Covered Person**; (2) an **Immediate Family Member**; or (3) retained by the Named Insured.

Quadriplegia means the complete and irreversible paralysis of both upper and both lower **Limbs**.

Schedule - means the Accident Insurance Declarations section of this endorsement.

E. ACCIDENT INSURANCE CLAIMS PROVISIONS

Notice of Claim. Written notice of a claim for benefits must be given to us within 20 days after a **Covered Person's** loss, or as soon thereafter as reasonably possible. Notice given by or on behalf of the claimant to us in care of AIG Claim Services, P.O. Box 15701, Wilmington, DE 19850-5701, or by calling 1-800-551-0824 with information sufficient to identify the **Covered Person**, is deemed notice to us.

Claim Forms. We will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within 15 days after the giving of notice of a claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed herein for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Covered Person's** name, the Named Insured's name and the Policy number.

Proof of Loss. Written proof of loss must be furnished to us within 90 days after the date of the loss. If the loss is one for which this endorsement requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as we may reasonably require. Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.

Payment of Claims. Upon receipt of due written proof of death, payment for loss of life of a **Covered Person** will be made, in equal shares, to the survivors in the first surviving class of those that follow: the **Covered Person's** (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the **Covered Person's** estate.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Covered Person** suffering the loss. If a **Covered Person** dies before all payments due have been made, the amount still payable will be paid as described above for loss of life.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his or her property, a payment not exceeding \$1,000 may be made, at our option, to any relative by blood or connection by marriage of the payee, who, in our opinion, has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment we make in good faith fully discharges our liability to the extent of the payment made.

Time of Payment of Claims. Benefits payable for any loss other than loss for which this endorsement provides any periodic payment will be paid immediately upon our receipt of due written proof of the loss. Subject to our receipt of due written proof of loss, all accrued benefits for loss for which this endorsement provides periodic payment will be paid at the expiration of each month during the continuance of the period for which we are liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.

Physical Examination and Autopsy. We at our own expense have the right and opportunity to examine the person of any individual whose loss is the basis of claim hereunder when and as often as we may reasonably require during the pendency of the claim and to make an autopsy in case of death where it is not forbidden by law.

F. ACCIDENT INSURANCE ADDITIONAL PROVISIONS

Covered Person's Effective Date. A **Covered Person's** coverage under this endorsement begins on the latest of: (1) the **Accident Insurance Effective Date**; (2) the date the person becomes a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; or (3) the date the appropriate premium is paid for the **Covered Person**.

Covered Person Termination Date. A **Covered Person's** coverage under this endorsement ends on the earliest of: (1) the date the Policy is terminated; (2) the date this endorsement is terminated; or (3) the date the **Covered Person** ceases to be a member of any eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**.

Termination of coverage will not affect a claim for a covered loss that occurred while the **Covered Person's** coverage under this endorsement was in force.

All other terms, conditions, and exclusions of the Policy shall remain unchanged.

A handwritten signature in black ink, appearing to read "M. Ryan Dwyer", is written over a horizontal line.

Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT # 003

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 4892144

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies the insurance provided by the policy.

SCHEDULE

COVERAGES	AMOUNT AND BASIS OF DEDUCTIBLE		
	Per Claim	or	Per Occurrence
COVERAGE A			
Bodily Injury Liability	\$		\$
Or			
Property Damage Liability	\$		\$
Or			
Bodily Injury and Property Damage Liability Combined	\$		\$ 25,000
COVERAGE B			
Personal and Advertising Injury Liability	\$		\$

ALLOCATED EXPENSES (all coverages)

You are responsible for "Allocated Expenses" according to your election as indicated by an "X" below. If no election is indicated, election i. shall apply.

- ☒ i. All "Allocated Expenses" up to the deductible amount. However, the most you are responsible for with respect to damages and "allocated expenses" combined shall not exceed the deductible amount.
- ☐ ii. A part of "Allocated Expenses". That part will be calculated by dividing the smaller of the deductible amount or the damages by the damages. If we pay no damages you are responsible for all "allocated expenses".
- ☐ iii. All "Allocated Expenses".

It is further agreed and understood that for the purposes of this endorsement, the following definition is added:

"Allocated Expenses" means all fees for service of process and court costs and court expenses; pre-and post-judgment interest; attorneys' fees; cost of undercover operative and detective services; costs of employing experts; costs for legal transcripts, copies of any public records, and costs of depositions and court reported or recorded statements; costs and expenses of subrogation; and any similar fee, cost or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a loss or a claim or "suit" against the insured, or for the protection and perfection of the insured's or the Company's subrogation rights.

"Allocated Expenses" shall not include the insured's or the Company's general overhead, the salary and employee benefits of any of the Company's employees, nor the fees of any attorney who is the Company's employee or under the Company's permanent retainer; nor the fees of any attorney the Company retains to provide counsel to the Company about the Company's obligations, if any, under any policy issued by the Company, with respect to a claim or "suit" against the insured.

- I. A. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule as applicable to such coverages.
- B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule. The deductible amounts stated in the Schedule applies as follows:

1. PER CLAIM BASIS. If the deductible amount indicated in the Schedule is on a per claim basis, that deductible applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
- c. Under Bodily Injury Liability and Property Damage Liability Coverages combined, to all damages sustained by any one person because of
 - (i) "Bodily injury";
 - (ii) "Property damage"; or
 - (iii) "Bodily injury" and "property damage" combinedas the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

- d. Under Coverage B, to all damages sustained by any one person because of "personal and or advertising injury" as the result of any one claim or "occurrence".

2. PER OCCURRENCE BASIS. If the deductible amount indicated in the Schedule is on a per "occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and Property Damage Liability Coverages combined, to all damages because of
 - (i) "Bodily injury";
 - (ii) "Property damage"; or
 - (iii) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

- d. Under Coverage B, to all damages because of "personal and advertising injury" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain damages because of that "occurrence".

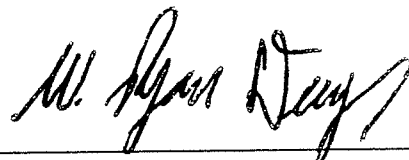
II. The terms of this insurance, including those with respect to:

- 1. Our rights and duty to defend the insured against any "suits" seeking those damages; and
- 2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

III. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

All other terms and conditions remain unchanged.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 4892144

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

FUNGUS/MOLD EXCLUSION

This insurance does not apply to any "claim", loss, "suit", injury, damage, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from, or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- a. Any "fungus(i)" , "mold(s)", mildew or yeast, or
- b. Any "spore(s)" or toxins created or produced by or emanating from such "fungus(i)", "mold(s)", mildew or yeast, or
- c. Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any "fungus(i)", "mold(s)", mildew or yeast, or
- d. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "fungus(i)", "mold(s)", mildew, yeast, or "spore(s)" or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, damage, cost or expense.


For the purposes of this exclusion, the following definitions are added to the Policy:

"Fungus(i)" includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including "mold(s)", rusts, mildews, smuts and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and Fungi that produced "mold(s)".

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants, organisms or microorganisms.

All other terms and conditions remain unchanged.



Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT # 005

This endorsement, effective 12:01 AM 02/11/2004

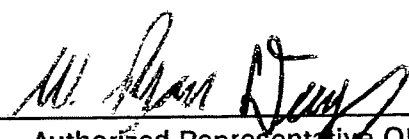
Forms a part of policy no.: 4892144

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

PROFESSIONAL LIABILITY EXCLUSION

It is agreed that this policy shall not apply to liability arising out of the rendering of or failure to render professional services, or any error or omission, malpractice or mistake of a professional nature committed by or on behalf of the "Insured" in the conduct of any of the "Insured's" business activities.


Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 4892144

Issued to: THE ADLEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL TERRORISM EXCLUSION

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of or in connection with "terrorism" including but not limited to, any contemporaneous or ensuing loss caused by fire, looting or theft.

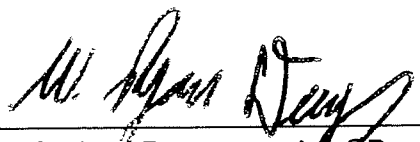
DEFINITION - The following definition of terrorism shall apply:

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- (1) A government;
- (2) The civilian population of a country, state or community; or
- (3) To disrupt the economy of a country, state or community.

"Terrorism" includes a certified act of terrorism defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

All other terms and conditions of the policy are the same.


Authorized Representative OR
Countersignature (In states where applicable)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

I. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

II. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

**DECLARATIONS
UMBRELLA LIABILITY**

Writing Policy No. NEW
**LEXINGTON
INSURANCE COMPANY**
ADMINISTRATIVE OFFICES
100 Summer Street
Boston, Massachusetts 02110-2103
(hereinafter called the Company)

POLICY NO 5336241

ITEM 1.

Name of Insured

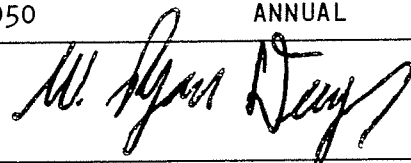
ALDEN FAMILY LIMITED PARTNERSHIP DBA
SAMSON AUTO SALVAGE

Address
(Street, Town
State

8103 ALAMEDA STREET
LOS ANGELES CA 90001

This Declaration Page, with policy provisions and endorsements, if any, issued to form a part thereof, completes the above numbered Umbrella Liability Policy.

ITEM 2. POLICY PERIOD	From: 02/11/04 To: 02/11/05 (12:01 A.M. Standard Time at the address of the Insured stated above)			
ITEM 3. LIMIT OF LIABILITY	<p>The limit of the Company's liability shall be as stated herein subject to all the terms of this policy having reference thereto</p> <p>(A) \$2,000,000 Single Limit any one occurrence Personal Injury or Property Damage or Advertising Liability or any combination thereof</p> <p align="center">in excess of</p> <p>(1) the amount covered, whether or not collectible, under the underlying insurance as set out in the attached Schedule, or</p> <p align="center">a Self Insured Retention of</p> <p>(2) \$10,000 ultimate net loss in respect of each occurrence not covered by said underlying insurance.</p> <p>(B) \$2,000,000 in the aggregate for the policy period in accordance with Insuring Agreement III</p>			
ITEM 4. PREMIUM COMPUTATION	<p align="center"><u>Rating Basis</u></p> <p>PER \$1,000 OF SALES</p>	<p align="center"><u>Estimated Exposure</u></p> <p>\$9,500,000</p>	<p align="center"><u>Rate</u></p> <p>\$4.53</p>	<p align="center"><u>Annual Minimum Premium</u></p> <p>\$43,000</p>
	<p align="center"><u>Deposit Premium</u></p> <p>\$43,000</p>	<p align="center"><u>Minimum Earned Premium At Inception</u></p> <p>\$15,050</p>	<p align="center"><u>Audit Period</u></p> <p>ANNUAL</p>	



Authorized Representative OR
Countersignature (In states where applicable)

Date of Issue 02/13/04

SCHEDULE OF UNDERLYING INSURANCE

Policy Number: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

Coverage
Type

Policy
Limits

AUTOMOBILE LIABILITY
POLICY NUMBER: TBD
COMPANY: NEW HAMPSHIRE CO
POLICY PERIOD: 02/11/04 TO 02/11/05

CSL : \$1,000,000

EMPLOYERS LIABILITY
POLICY NUMBER: 407-98-2005
COMPANY: STATE FUND
POLICY PERIOD: 11/01/03 TO 11/01/04

All other states each acc: \$1,000,000
O.D. each employee: \$1,000,000
O.D. policy aggregate: \$1,000,000

GENERAL LIABILITY
POLICY NUMBER: 4892144
COMPANY: LEXINGTON INSURANCE COMPANY
POLICY PERIOD: 02/11/04 TO 02/11/05
RETROACTIVE DATE:

Occurrence: \$1,000,000
Products Aggregate: \$2,000,000
Other Aggregate: \$3,000,000

FORMS SCHEDULE

Named Insured: ALDEN FAMILY LIMITED PARTNERSHIP DBA

Policy No: 5336241

Effective Date: 02/11/2004

Form Number	Edition Date	Endorsement Number	Title
LEX-OCC-UMB-1	07/90		OCCURRENCE UMBRELLA DEC
LX0327	06/89		SCHEDULE OF UNDERLYING INS.
LEX-OCC-UMB-1T	07/94		OCC UMB TXT 1
LEXOCC253	07/90	001	DEFENSE COST PAYMENTS
LEXOCC271	03/92	002	EMPLOY-RELATED PRACTICES EXCL
LX9584	02/03	003	FUNGUS/MOLD EXCLUSION
LX9109	07/97	004	MINIMUM EARNED PREMIUM CGL
LEXCME094	03/86	005	PROFESSIONAL LIABILITY EXCL
LEXOCC262	06/91	006	SECURITIES/FINANCIAL INT EXCL.
LX9580	01/03	007	TOTAL TERRORISM EXCLUSION
LX9578	01/03	008	WAR EXCLUSION

NOTICE

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NON-ADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**

LEXINGTON INSURANCE COMPANY
Administrative Offices: 100 Summer Street, Boston, Massachusetts 02110-2103
(hereinafter called the Company)

The words we, us and our refer to Lexington Insurance Company. The word **Insured** means any person or organization qualifying as such under the section entitled, DEFINITIONS - **PERSONS INSURED**.

In consideration of the payment of the premium and in reliance upon the statements in the Declarations made a part hereof and subject to the limits of liability, exclusions, conditions and other terms of this policy, we agree with the first Named Insured named in the Declarations as follows:

INSURING AGREEMENTS

I. COVERAGE

We will pay on behalf of the **Insured** that portion of the **ultimate net loss** in excess of the retained limit as hereinafter defined, which the **Insured** shall become legally obligated to pay as compensatory damages (excluding all fines, penalties, punitive or exemplary damages) because of **personal injury, property damage or advertising injury**, caused by an **occurrence** to which this insurance applies, due to:

- A. liability imposed upon the **Insured** by law, or
- B. liability for wrongful acts of others assumed by the **Insured** under written contract entered into prior to the time of **occurrence**.

II. DEFENSE

- A. The provisions of this section apply to **claims** covered under this policy, but not covered by any underlying policies listed in the Schedule of Underlying Insurance, whether or not collectible, or any other underlying insurance providing coverage to the **Insured**, whether collectible or not.

This section shall also apply to **claims** resulting from **occurrences** not covered by underlying insurance, due to exhaustion of any aggregate limits by reason of losses paid thereunder.

- 1. We will defend any suit against the **Insured** alleging liability insured under the provisions of this policy and seeking recovery for damages on account thereof, even if such is groundless, false or fraudulent, but we will have the right to make such investigation and negotiation and settlement of any **claim(s)** or suit(s) as may be deemed expedient by us.
 - 2. We will pay: (a) all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy; (b) all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds; (c) all costs taxed against the **Insured** in any such suits; (d) all expenses incurred by us; and (e) all interest accruing after entry of judgment until we have paid, tendered or deposited in court that part of any judgment as does not exceed the limit of our liability thereon.
 - 3. We will reimburse the **Insured** for all reasonable expenses incurred at our request, (including actual loss of wages or salary, but not the loss of other income, not to exceed one hundred (100) dollars per day) because of the **Insured's** attendance at hearings or trials at such request.
 - 4. We will pay all pre-judgment interest awarded against the **Insured** on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
- B. We will pay the amounts incurred under IIA above, but any such payments shall:
 - 1. serve to reduce the limits of liability of this policy as stated in the Declarations, and

2. be subject to the **Insured's** retention of an amount equal to that stated in the Declarations as Self Insured Retention. The Self Insured Retention applies separately to each and every **occurrence**.

C. In all other instances except IIA above;

we shall not be called upon to assume charge of the investigation, settlement or defense of any **claims** made or suit brought or proceedings instituted against the **Insured**, but shall have the right and be given the opportunity to be associated in the defense and trial of any such **claims**, suits or proceedings relative to any **occurrence** which, in our opinion, may create liability for us under the terms of this policy.

III. LIMITS OF LIABILITY

A. Retained Limit

1. We will be liable only for that portion of the **ultimate net loss** in excess of the **Insured's** Retained Limit, defined as either:
 - a. the total of the applicable limits of the underlying policies listed in the Schedule of Underlying Insurance, whether or not collectible, and the applicable limits of any other underlying insurance providing coverage to the **Insured**; or
 - b. the amount stated in the Declarations as Self Insured Retention as a result of any one **occurrence** not covered by any such underlying policies or other insurance, and then up to an amount not exceeding the amount as stated in the Declarations as the result of any one **occurrence**.
2. In the event of the reduction or exhaustion of the underlying aggregate limits by payments of **claims** that would be insured by our policy, we will, subject to the terms and conditions of this policy and the Limit of Liability stated in the Declarations:
 - a. in the event of reduction, pay excess of the reduced underlying insurance, or
 - b. in the event of exhaustion, continue in force as underlying insurance, subject to the **Insured's** retention of an amount equal to that stated in the Declarations as Self Insured Retention. The Self Insured Retention applies separately to each and every **occurrence**.

B. Aggregate

This policy is subject to an aggregate limit of liability as stated in the Declarations. This aggregate limit of liability is the maximum amount which will be paid under this policy for **claims** to which this policy applies except automobile liability, which is not subject to any aggregate limit.

C. Occurrence Limit

Subject to the above provision respecting aggregate, the Limit of Liability stated in the Declarations as **occurrence** is the total limit of our liability for **ultimate net loss** including damages for care, loss of services or loss of consortium because of **personal injury**, **property damage** and **advertising injury** combined, sustained by one or more persons or organizations as a result of any one **occurrence**.

D. Limit Exhaustion

As respects any coverage for which an aggregate limit of liability applies the policy shall cease to apply after the applicable limit of liability has been exhausted by payment of defense costs and/or judgments and/or settlements.

IV. TERRITORY

Policy Period

This policy applies only to **occurrences** happening anywhere during the policy period.

DEFINITIONS

When used in this policy (including endorsements forming a part thereof):

1. **Advertising injury** means injury arising out of one or more of the following offenses:
 - a. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. oral or written publication of material that violates a person's right of privacy;
 - c. misappropriation of advertising ideas or style of doing business; or
 - d. infringement of copyright, title or slogan.
2. **Auto** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment, but **auto** does not include **mobile equipment**.
3. **Claim** means a written demand upon the **Insured** for compensatory damages or services, and shall include the service of suit or institution of arbitration proceedings against the **Insured**. **Claim** does not include reports of accidents, acts, errors, **occurrences**, offenses or omissions which may give rise to a **claim** under this policy;
4. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. vehicles maintained for use solely on or next to premises you own or rent;
 - c. vehicles that travel on crawler treads;
 - d. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1) power cranes, shovels, loaders, diggers or drills, or
 - 2) road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. vehicles not described in a, b, c, or d, above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment, or
 - 2) cherry pickers and similar devices used to raise or lower workers;
 - f. vehicles not described in a, b, c, or d, above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- 1) equipment designed primarily for:
 - a) snow removal;
 - b) road maintenance, but not construction or resurfacing;
 - c) street cleaning;
- 2) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- 3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

5. **Occurrence**

- a. With respect to **personal injury** and **property damage**, the term **occurrence** means an event, including continuous or repeated exposures to conditions, which result in **personal injury** and/or **property damage** neither expected nor intended from the standpoint of the **Insured**. All such exposure to substantially the same general conditions shall be deemed one **occurrence**.
- b. With respect to **advertising injury**, all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants shall be deemed to arise out of one **occurrence**.

6. **Personal injury** means:

- a. bodily injury, sickness or disease sustained by a person, including mental anguish, mental injury or death resulting therefrom;
- b. false arrest, false imprisonment, wrongful detention or malicious prosecution;
- c. wrongful entry into, or eviction of any person from a room, dwelling or premises that the person occupies;
- d. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. oral or written publication of material that violates a person's right of privacy;

except b, c, d, or e do not apply to advertising, publishing, broadcasting or telecasting done by or for the **Insured**.

7. **Persons Insured** means each of the following to the extent set forth below:

- a. the Named Insured as shown in the Declarations. The Named Insured shall also include:
 - 1) such subsidiary or owned or controlled companies of the Named Insured as are in existence at the inception date of this policy;
 - 2) any subsidiary or owned or controlled company of the Named Insured created or acquired subsequent to the inception date of this policy, but coverage hereunder will not apply;
 - a) to **personal injury**, **property damage** and or **advertising injury** which is as a result of an **occurrence**, including continuous or repeated exposure to the same general harmful conditions, happening prior to the date of such creation or acquisition;
 - b) for a period greater than thirty (30) days from the date of such creation or acquisition. However, if the Named Insured shall give us notice of any such created or acquired subsidiary or owned or controlled company within the aforesaid period of thirty (30) days and the Named Insured shall:
 - (i) pay any additional premium, and

(ii) accept such terms;

as may be required by us, then this policy shall continue to apply to such subsidiary or owned or controlled company.

- b. If the Named Insured set forth in the Declarations is a partnership or joint venture, any partner or member thereof, but only with respect to the liability incurred in the operation of that partnership or joint venture; however, this policy does not apply to any **autos** owned by or registered in the name of any partner.
 - c. If the Named Insured set forth in the Declarations is an individual, their spouse, if a resident of the same household; but this policy will only apply to the conduct of a business or business properties of which the Named Insured is sole proprietor.
 - d. Any person, organization, trustee or estate to whom or to which the Named Insured is obligated by virtue of a written contract to provide insurance such as is afforded by this policy, but only with respect to operations conducted by the Named Insured or on the Named Insured's behalf or to the facilities of or used by the Named Insured. The Insurance extended by this definition shall in no event be broader in scope or limits than the obligation imposed upon the Named Insured by the written contract.
 - e. Any additional **Insured** included in the underlying insurance, but only to the extent that insurance is available to such additional **Insured** under such underlying insurance.
 - f. Except with respect to the ownership, maintenance or use, including loading, unloading or entrustment of any **auto**, aircraft or watercraft, any of the **Insured's** partners, executive officers, directors, stockholders or employees, while acting within the scope of their duties.
 - g. Any organization or proprietor while acting as the **Insured** real estate manager.
 - h. Any persons while using any **auto** owned by the **Insured** or any **auto** loaned to the **Insured** or hired for use on the **Insured's** behalf, and any person legally responsible for the use thereof, provided that actual use thereof is with the **Insured's** permission, and any of the **Insured's** executive officers, directors or stockholders with respect to the use of an **auto** or watercraft not owned by the **Insured** but used in the **Insured's** business. The insurance with respect to any person or organization other than the **Insured** does not apply under this division:
 - 1) to any person or organization, or to any agent or employee thereof, operating an **auto** sales agency, repair shop, service station, storage garage or public parking place, with respect to any **occurrence** arising out of the operation thereof;
 - 2) with respect to any **auto** hired by or loaned to the **Insured**, to the owner or lessee thereof other than the **Insured**, or to any agent or employee of such owner or lessee.
8. **Products** means goods or products manufactured, sold, handled or distributed by the **Insured** or by others trading under the **Insured's** name, including any container thereof (other than a vehicle), but **products** shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.
9. **Property damage** shall mean: (a) physical injury to or destruction of tangible property, including loss of use thereof at any time resulting therefrom; or (b) loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by a covered **occurrence**.
10. **Ultimate net loss** means the total sum which the **Insured**, or any company as its insurer, or both, become legally obligated to pay by reason of **personal injury, property damage or advertising injury claims** covered by this policy, either through adjudication or compromise (with our written consent), and shall also include hospital, medical and funeral charges and all sums paid or payable as salaries, wages, compensation, fees, charges, interest, or expense for doctors, nurses, and investigators and other persons, and for settlement, adjustment, investigation and defense of **claims** but excluding the **Insured's** salaries or the salaries of any of the underlying insurer's permanent employees.

EXCLUSIONS

This policy does not apply:

1. to any obligation for which the **Insured** or any carrier as his insurer may be held liable under any Workers' Compensation, Occupational Disease, Unemployment Compensation, or Disability Benefits law, or under any similar law; or to Employers' Liability as respects any Occupational Disease;
2. to any obligation incurred or imposed upon the **Insured** (or which are imputed to the **Insured**) under the Employee Retirement Income Security Act of 1974, Public Law 93-406 and any law amendatory thereof;
3. to any obligation for which the **Insured** may be liable under no fault or uninsured motorists or underinsured motorists law;
4. to any liability for **property damage** to:
 - a. real property occupied by or leased by the **Insured**;
 - b. real or personal property used by the **Insured**;
 - c. personal property in the **Insured's** care, custody or control or as to which the **Insured** is for any purpose exercising control;
5. to the loss of use of tangible property which has not been physically injured or destroyed, resulting from:
 - a. a delay in or lack of performance of any contract or agreement by the **Insured** or on the **Insured's** behalf, or
 - b. the failure of the **Insured's products** or work performed by the **Insured** or on the **Insured's** behalf to meet the level of performance, quality, fitness or durability warranted or represented by the **Insured**; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **Insured's products** or work performed by the **Insured** or on the **Insured's** behalf after such **products** or work have been put to use by any person or organization other than the **Insured**;
6. to **property damage** to:
 - a. the **Insured's products** arising out of such **products** or any part of such **products**;
 - b. work performed by the **Insured** or on the **Insured's** behalf arising out of such work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
 - c. property owned by the **Insured**;
 - d. aircraft or watercraft rented to the **Insured**, used by the **Insured**, entrusted to, or in the **Insured's** care, custody or control;
7. to damages claimed for the withdrawal, inspection, repair, replacement or loss of use of the **Insured's products** or work completed by the **Insured** or of any property of which such **products** or work form a part, if such **products**, work or property are withdrawn from the market or from use by anyone because of any known or suspected defect or deficiency therein;
8. to liability of any employee with respect to **personal injury** to another employee of the same employer injured in the course of such employment, unless insurance therefor is provided by a policy listed in the Schedule of Underlying Insurance, and then not for broader coverage than is afforded to such employee by that policy;
9. to **personal injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading, unloading or entrustment of:

- a. any watercraft, except to the extent that coverage is provided by a policy listed in the Schedule of Underlying Insurance; or
 - b. any aircraft owned by or entrusted to the **Insured** or rented to the **Insured** without a crew, except to the extent that coverage is provided by a policy listed in the Schedule of Underlying Insurance;
10. to **personal injury** or **advertising injury**:
- a. arising out of the oral or written publication of material, if done by the **Insured**, or at the **Insured's** direction with knowledge of its falsity;
 - b. arising out of the willful violation of a penal statute or ordinance committed by the **Insured** or with the **Insured's** consent;
11. to **advertising injury** arising out of:
- a. failure of performance of any contract or breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - b. an offense committed by the **Insured** if the **Insured's** business is advertising, broadcasting, publishing, or telecasting;
 - c. infringement of trade name, registered trade mark or service mark, other than titles or slogans, by use on or in connection with goods or services sold, offered for sale or advertised;
 - d. incorrect description of any article or commodity;
 - e. mistake in advertised prices.
12. to **personal injury** or **property damage**:
- a. with respect to which an **Insured** is also an **Insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability; or resulting from the hazardous properties of nuclear material and with respect to which (i) any person or any organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;
 - b. under any liability coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
 - 1) the nuclear material (a) is at any nuclear facility owned by the **Insured** or operated by the **Insured** or on the **Insured's** behalf, or (b) has been discharged or dispersed therefrom,
 - 2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by the **Insured** or on the **Insured's** behalf, or
 - 3) the injury, sickness, disease, death, or destruction arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such nuclear facility and any property thereat.
 - c. as used in this exclusion:
 - 1) hazardous properties includes radioactive, toxic or explosive properties;
 - 2) nuclear material means source material, special nuclear material or by-product material;

- 3) source material, special nuclear material and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - 4) spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
 - 5) waste means any waste material (a) containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (b) resulting from the operation by any person or organization of a nuclear facility included within the definition of nuclear facility below:
 - 6) nuclear facility means:
 - a) any nuclear reactor,
 - b) any equipment or device designed or used for (i) separating the isotopes of uranium or plutonium, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging wastes,
 - c) any equipment or device used for the processing, fabricating, or alloying of special nuclear material if at any time the total amount of such material in the custody of the **Insured** at the premises where such equipment or device is located consists of or contains more than twenty-five (25) grams of plutonium or uranium 233 or any combination thereof, or more than two hundred and fifty (250) grams of uranium 235,
 - d) any structure, basin, excavation, premises or place prepared or used for storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
 - 7) nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
 - 8) with respect to injury to or destruction of property, the word injury or destruction includes all forms of radioactive contamination of property;
13. to **personal injury** or **property damage** (including the loss of use thereof) caused by, contributed to or arising out of the actual or threatened discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, pollutants or contaminants into or upon the land, the atmosphere or any course or body of water, whether above or below ground. It is understood and agreed that the intent and effect of this exclusion is to delete from any and all coverages afforded by the policy any **claim**, action, judgment, liability, settlement, defense or expenses (including any loss, cost, or expense arising out of any governmental direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants) in any way arising out of such actual or threatened discharge, dispersal, release or escape, whether such results from the **Insured's** activities or the activities of others, and whether or not such is sudden or gradual, and whether or not such is accidental, intended, foreseeable, expected, fortuitous or inevitable, and wherever such occurs;
 14. to any liability the **Insured** may have, directly or indirectly occasioned by, happening through, or in consequence of war, invasion, acts of foreign enemies, hostilities, (whether war be declared or not), civil war, rebellion, revolution, insurrection, terrorism, military terrorism, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
 15. to any liability resulting from **personal injury** or **property damage** which is expected or intended by the **Insured**, except that this exclusion does not apply to **personal injury** resulting from the use of reasonable force to protect persons or property;
 16. to any liability for **property damage**, **personal injury**, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury at any time arising out of the manufacture of, mining of, use

of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust, or

to any obligation of the **Insured** to indemnify any party because of damages arising out of such **property damage, personal injury**, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust, or

to any obligation to defend any suit or **claims** against the **Insured** alleging **personal injury**, sickness, disease, occupational disease, disability, shock, death, mental anguish, mental injury or **property damage** resulting from or contributed to by any and all manufacture of, mining of, use of, sale of, installation of, removal of, distribution of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust;

17. to discrimination or humiliation;

18. to any **claim** in respect of which the **Insured**, before the inception date set out in Item 2 of the Declarations, has given written notice to the insurers of any other insurance.

CONDITIONS

1. Premium - If the premium for this policy is a flat premium, it is not subject to adjustment, except that additional premiums may be required for any additional **Insureds** as outlined in Definition 7, **Persons Insured**, or as provided in Condition 14, Cancellation.

If the policy is subject to audit adjustment, the premium will be based upon the rating bases as set forth in the Declarations. Upon expiration of this policy or its termination during the policy period or at the end of each policy year, the earned premium shall be computed as follows: a) if the earned premium is more than the advance premium paid, the first Named Insured will promptly pay the excess to us; b) if less, we will return to the first Named Insured the unearned portion, subject to the Annual Minimum Premium stated in the Declarations, which in no case shall be less than the Minimum Earned Premium at inception as stated in the Declarations.

2. Prior Insurance and Non-Cumulation of Liability - It is agreed that if any loss is also covered in whole or in part under any other excess policy issued to any **Insured** prior to the inception date hereof, our Limit of Liability as stated in the Declarations shall be reduced by any amounts due any **Insured** on account of any such prior insurance.

3. Severability of Interest - In the event of **claims** being made by reason of **personal injury, property damage or advertising injury** suffered by one **Insured** herein for which another **Insured** herein is or may be liable, this policy shall cover the **Insured** against whom a **claim** is made or may be made in the same manner as if separate policies had been issued to each **Insured** herein. Nothing contained herein shall operate to increase our limit of liability as set forth in the limits of liability section.

4. Notice of Occurrence, Claim, or Suit -

A. The first Named Insured shall immediately notify us in writing of any **occurrence** which may reasonably be expected to result in a **claim** against this policy. The first Named Insured will notify us on the assumption that an **Insured** is liable and that an **Insured** is liable for any amount claimed. Notice shall include:

1. how, when and where the **occurrence** took place; and
2. the names and addresses of any injured persons and any witnesses.

B. 1. The first Named Insured shall immediately notify us in writing of any **claim**, alone or in combination with any other **claims**, to which this policy applies which may exceed 25% of the applicable amount set forth in the Schedule of Underlying Insurance. The first Named Insured

will notify us on the assumption that an **Insured** is liable and that an **Insured** is liable for any amount(s) claimed.

2. As respects B.1. above, the first Named Insured and any other involved **Insured** must:

- 1) immediately send us copies of any demands, notices, summonses or other legal papers received in connection with the **claim** or suit;
- 2) authorize us to obtain records and other information;
- 3) cooperate with us in the investigation, settlement or defense of the **claim** or suit; and
- 4) assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury to which this insurance may also apply.

3. No **Insureds** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense other than for first aid, without our consent.

5. Inspection - We are permitted but not obligated to inspect the **Insured's** property and operations at any time.

Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on the **Insured's** behalf or for the **Insured's** benefit or others to determine or warrant that such property or operations are safe or healthful or that they comply with laws, regulations, codes or standards.

6. Audit - We may examine and audit the **Insured's** books and records at any time during the policy period and extensions thereof and within three (3) years after the final termination of this policy as far as they relate to the subject matter of this insurance.

7. Maintenance of Underlying Insurance - The policy or policies referred to in the Schedule of Underlying Insurance, and renewals or replacements thereof not more restrictive, shall be maintained by the first Named Insured in full force and effect during the currency of this policy without alteration in their terms or conditions except for any reduction of the aggregate limit or limits contained therein solely by payment of **claims**.

Failure of the first Named Insured to comply with the foregoing shall not invalidate this policy, but in the event of such failure, we will only be liable to the same extent as we would have been had the first Named Insured so maintained such policy or policies.

8. Receivership, Insolvency or Financial Impairment of Underlying Insurer - The receivership, the insolvency and/or inability to pay by an underlying insurer shall not be deemed to render the funds which would have been otherwise available from an underlying insurer to be unavailable, reduced or exhausted for the purposes of determining our liability under this policy, it being understood that our liability under this policy shall in no way be increased or expanded as a result of such receivership, insolvency or inability to pay, with respect to both the duty to indemnify and the duty to defend.

9. Appeals - In the event the first Named Insured or the first Named Insured's underlying insurer (if applicable) elect(s) not to appeal a judgment in excess of the underlying limits, we may elect to make such appeal at our own cost and expense, and we shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall our liability for the **ultimate net loss** exceed the sum set forth in the Declarations for any one **occurrence**, including the cost and expense of such appeal.

10. Other Insurance - If other valid and collectible insurance with any other insurer is available to the **Insured** covering a loss also covered hereunder, this insurance shall be excess of, and shall not contribute with such other insurance. Excess insurance over the limits of liability expressed in this policy is permitted without prejudice to this insurance, and the existence of such insurance shall not reduce any liability under this policy.

11. Application of Salvages - Subrogation - All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this insurance shall be applied as if recovered or received prior to

such settlement, and all necessary adjustments shall then be made between the **Insured** and us, provided always that nothing in this clause shall be construed or mean that losses under this insurance are not recoverable until the **Insured's ultimate net loss** has been finally ascertained. Inasmuch as this policy is excess coverage, the **Insured's** right of recovery against any person or other entity cannot always be exclusively subrogated to us. It is therefore understood and agreed that in case of any payment hereunder, we shall act in concert with all other interests (including the **Insured's**) concerned in the exercise of such rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests (including the **Insured's**) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them. We shall then be reimbursed out of any balance then remaining, up to the amount paid hereunder. Lastly, the interests (including the **Insured's**) of whom this coverage is excess are entitled to claim the residue, if any. Expense necessary to the recovery of any such amounts shall be apportioned between the interests (including the **Insured's**) concerned in the ratio of their respective recoveries as finally settled.

12. Changes - Notice to or knowledge possessed by any person shall not affect a waiver or change in any part of this policy or stop us from asserting any rights under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part hereof, signed by an authorized representative of our company.
13. Assignment - Assignment of interest under this policy shall not bind us until our consent is endorsed hereon; if, however, the first Named Insured shall be adjudged bankrupt or insolvent, this policy shall cover the first Named Insured's legal representative as **Insureds**; provided that notice of cancellation addressed to the first Named Insured in the Declarations and mailed to the address shown in this policy shall be sufficient notice to effect cancellation of this policy.
14. Cancellation - This policy may be cancelled by the first Named Insured by surrender thereof to us or any of our authorized agents, or by mailing to us or any of our authorized agents, written notice stating when thereafter such cancellation shall be effective. The policy may be cancelled by us by mailing to the first Named Insured at the address shown in Item 1 of the Declarations, written notice stating when, not less than thirty (30) days thereafter (ten (10) days with respect to cancellation for non-payment of premium) such cancellation shall be effective. Proof of mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the first Named Insured or by us shall be equivalent to mailing.

If we cancel, earned premium shall be computed pro rata. If the Named Insured cancels, earned premium shall be computed in accordance with the customary short rate table procedure. In the event of such cancellation, the earned premium shall in no case be less than the minimum earned premium at inception as stated in the Declarations.

Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter. Our check or our representative's check, mailed or delivered, shall be sufficient tender of any refund due the first Named Insured.

If this policy insures more than one Named Insured, cancellation may be effected by the first Named Insured **Insureds** for the account of all **Insureds**. Notice of cancellation by us to such first Named Insured shall be notice to all **Insureds**. Payment of any unearned premium to such first Named Insured shall be for the account of all interests in such payment.

15. Bankruptcy and Insolvency - In the event of the Named Insured's bankruptcy or insolvency or any entity comprising the Named Insured, we shall not be relieved thereby of the payment of any **claims** hereunder because of such bankruptcy or insolvency.
16. First Named Insured - The first Named Insured in Item 1 of the Declarations shall be responsible for payment of all premiums, and shall act on behalf of all other **Insureds** with respect to the giving and receiving of notice of cancellation and the receipt of any return premium that may become payable under this policy.
17. Legal Actions Against Us - No person or organization has a right under this policy:

- A. to join us as a party or otherwise bring us into a suit asking for damages from an **Insured**; or
- B. to sue us under this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an **Insured** obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the first Named Insured and the claimant or the claimant's legal representative.

18. Arbitration - Notwithstanding the Service of Suit Clause 19, in the event of a disagreement as to the interpretation of this policy, it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) Arbitrators, consisting of two (2) party-nominated (non-impartial) Arbitrators and a third (impartial) arbitrator (hereinafter "umpire") as the sole and exclusive remedy.

The Party desiring arbitration of a dispute shall notify the other party, said notice including the name, address and occupation of the Arbitrator nominated by the demanding party. The other party shall within 30 days following receipt of the demand, notify in writing the demanding party of the name, address and occupation of the Arbitrator nominated by it. The two (2) Arbitrators so selected shall, within 30 days of the appointment of the second Arbitrator, select an umpire. If the Arbitrators are unable to agree upon an umpire, each Arbitrator shall submit to the other Arbitrator a list of three (3) proposed individuals, from which list each Arbitrator shall choose one (1) individual. The names of the two (2) individuals so chosen shall be subject to a draw, whereby the individual drawn shall serve as umpire.

The parties shall submit their cases to the panel by written and oral evidence at a hearing time and place selected by the umpire. Said hearings shall be held within thirty (30) days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three (3) panel members shall be binding and final and not subject to appeal except for grounds of fraud or gross misconduct by the Arbitrators. The award will be issued within 30 days of the close of the hearings. Each party shall bear the expenses of its designated Arbitrator and shall jointly and equally share with the other the expense of the umpire and of the arbitration proceeding.

The arbitration proceeding shall take place in or in the vicinity of Boston, Massachusetts. The procedural rules applicable to this arbitration, shall, except as provided otherwise herein, be in accordance with the Commercial Rules of the American Arbitration Association.

19. Service of Suit - In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by one of its duly authorized representatives.

Elizabeth M. Tuck

Secretary

L. H. Allen

Chairman of the Board and CEO

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

DEFENSE COST PAYMENTS

In consideration of the premium charged, it is agreed that any Defense Cost Payments made under this policy shall not reduce the Limits of Liability otherwise available.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

EMPLOYMENT-RELATED PRACTICES EXCLUSION

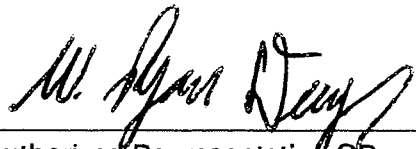
In consideration of the premium charged, it is understood and agreed that the Insurer shall have no obligation to defend or indemnify with respect to any claim alleging or asserting in any respect loss, injury, or damage (including consequential bodily injury) in connection with Wrongful Termination of the Insured's employees and/or Discrimination involving the Insured's employees and/or Sexual Harassment of the Insured's employees.

The following definitions apply to the foregoing:

Wrongful Termination means termination of an employment relationship in a manner which is against the law and wrongful or in breach of an implied agreement to continue employment.

Discrimination means termination of an employment relationship or a demotion or a failure or refusal to hire or promote any individual because of race, color, religion, age, sex, disability, pregnancy or national origin.

Sexual Harassment means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as a basis for employment decisions and/or (3) create a work environment that interferes with performance.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

FUNGUS/MOLD EXCLUSION

This insurance does not apply to any "claim", loss, "suit", injury, damage, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from, or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- a. Any "fungus(i)", "mold(s)", mildew or yeast, or
- b. Any "spore(s)" or toxins created or produced by or emanating from such "fungus(i)", "mold(s)", mildew or yeast, or
- c. Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any "fungus(i)", "mold(s)", mildew or yeast, or
- d. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "fungus(i)", "mold(s)", mildew, yeast, or "spore(s)" or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, damage, cost or expense.

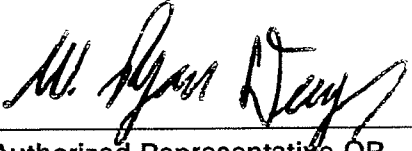
For the purposes of this exclusion, the following definitions are added to the Policy:

"Fungus(i)" includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including "mold(s)", rusts, mildews, smuts and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and Fungi that produced "mold(s)".

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants, organisms or microorganisms.

All other terms and conditions remain unchanged.


Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

MINIMUM EARNED PREMIUM

It is agreed that Commercial General Liability Condition 10., Subdivision e., is deleted in its entirety and the following is substituted therefor:

If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata. If the first Named Insured cancels, earned premium will be computed in accordance with the customary short-rate table and procedure subject to a Minimum Earned Premium of \$15,050 .



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004


Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

PROFESSIONAL LIABILITY EXCLUSION

It is agreed that this policy shall not apply to liability arising out of the rendering of or failure to render professional services, or any error or omission, malpractice or mistake of a professional nature committed by or on behalf of the "Insured" in the conduct of any of the "Insured's" business activities.


Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

SECURITIES AND FINANCIAL INTEREST EXCLUSION

In consideration of the premium charged, it is understood and agreed that the Insurer shall have no obligation to defend or indemnify with respect to any claim alleging or asserting in any respect loss, injury or damage in connection with the purchase or sale, the offer, solicitation, or advertising for the purchase or sale, or the depreciation or decline in price or value, of any security, debt, bank deposit, or financial interest or instrument.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL TERRORISM EXCLUSION

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of or in connection with "terrorism" including but not limited to, any contemporaneous or ensuing loss caused by fire, looting or theft.

DEFINITION - The following definition of terrorism shall apply:

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- (1) A government;
- (2) The civilian population of a country, state or community; or
- (3) To disrupt the economy of a country, state or community.

"Terrorism" includes a certified act of terrorism defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

All other terms and conditions of the policy are the same.



Authorized Representative OR
Countersignature (In states where applicable)

This endorsement, effective 12:01 AM 02/11/2004

Forms a part of policy no.: 5336241

Issued to: ALDEN FAMILY LIMITED PARTNERSHIP DBA

By: LEXINGTON INSURANCE COMPANY

WAR EXCLUSION

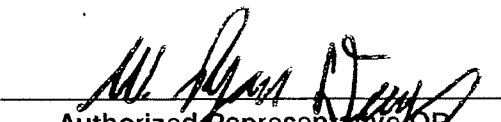
This insurance does not apply to loss, injury, damage, claim or suit arising directly or indirectly, out of:

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

This exclusion supercedes any exclusion pertaining to War, which may be in the policy.

If the policy does not include a Terrorism exclusion, then this War Exclusion does not apply to an Act of Terrorism defined by Section 102. Definitions., of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments thereto.

All other terms and conditions of the policy remain the same.


Authorized Representative OR
Countersignature (In states where applicable)

Common Policy Declarations

RENEWAL DECLARATION

NAME AND ADDRESS OF AGENCY Willis of New Hampshire 1 New Hampshire Av, Suite 200 Portsmouth NH 03801 AGENCY 0000009737	INSURANCE COMPANY Granite State Insurance Company Member American International Group, Inc Executive Offices: 70 Pine St. New York NY 10270
NAME AND MAILING ADDRESS OF INSURED ADLEN GROUP ENTERPRISES 8103 S ALAMEDA ST LOS ANGELES CA 90001	POLICY NUMBER 02-LX -3495774-1/000 POLICY PERIOD FROM: 02-11-04 TO: 02-11-05 RENEWAL OF 02-LX-3495774-0 at 12:01 A.M. standard time at the mailing address shown.

THE NAMED INSURED IS : CORPORATION

BUSINESS DESC : USED AUTO PARTS

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	1,582
COMMERCIAL GENERAL LIABILITY COVERAGE PART	NOT COVERED
COMMERCIAL CRIME COVERAGE PART	NOT COVERED
COMMERCIAL INLAND MARINE COVERAGE PART	NOT COVERED
COMMERCIAL AUTO COVERAGE PART	NOT COVERED
GARAGE COVERAGE PART	NOT COVERED
MISCELLANEOUS PROFESSIONAL LIABILITY	NOT COVERED

ESTIMATED TOTAL PREMIUM \$1,582

THE POLICY WRITING NONREFUNDABLE MINIMUM PREMIUM IS \$100

FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS

81127 (12-02) 1L0017 (11-98) 1L0270 (07-02)

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

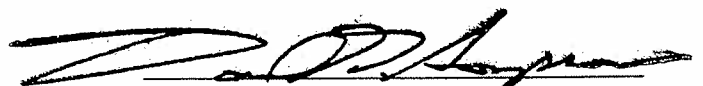
STEVEN H. SPIEGLER

Insurance Services Inc.

7855 Ivanhoe Ave., Suite 460 • La Jolla, California 92037
License # 0B71012

Original

Page 1 of 2



SIGNATURE OF AUTHORIZED REPRESENTATIVE

Commercial Property

RENEWAL DECLARATION

NAME AND ADDRESS OF AGENCY Willis of New Hampshire 1 New Hampshire Av, Suite 200 Portsmouth NH 03801 AGENCY 0000009737	INSURANCE COMPANY Granite State Insurance Company Member American International Group, Inc Executive Offices: 70 Pine St. New York NY 10270
NAME AND MAILING ADDRESS OF INSURED ADLEN GROUP ENTERPRISES 8103 S ALAMEDA ST LOS ANGELES CA 90001	POLICY NUMBER 02-LX -3495774-1/000 RENEWAL OF 02-LX-3495774-0 POLICY PERIOD FROM: 02-11-04 TO: 02-11-05 At 12:01 A.M. standard time at the mailing address shown.

BUILDING - 1

PREM. NO. 1 BLDG. NO. 1 11409 PENROSE ST, 11590 TUXFORD SUN VALLEY, CA. 91352				
COVERAGES PROVIDED INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN				
COVERAGE	CAUSE OF LOSS	DED \$	COINSURANCE	LIMIT OF INSURANCE \$
BUSINESS PERSONAL PROPERTY	SPECIAL-Incl theft	2,500	90%	100,000
OPTIONAL COVERAGES				
PERSONAL PROPERTY: REPLACEMENT COST				

MANUSCRIPT FORMS: CP1420 (07-88) - ADDITIONAL PROPERTY NOT COVERED STOCK

TERRORISM RISK INSURANCE ACT REJECTION
 - MANDATORY FIRE FOLLOWING (ANNUAL) CHARGE IS

INCLUDED

TOTAL PROPERTY PREMIUM	\$1,582
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FORMS AND ENDORSEMENTS APPLYING TO COMMERCIAL PROPERTY COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE: CP0090 (07-88) CP0186 (04-86) IL0103 (07-02) IL0104 (02-02) CP1420 (07-88) AIU130 (10-90) G7361 (10-90) G7362 (10-90)

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Original

Page 2 of 2

02-13-04

SIGNATURE OF AUTHORIZED REPRESENTATIVE

Common Policy Declarations

EXTENDED NAMED INSURED

NAME AND ADDRESS OF AGENCY Willis of New Hampshire 1 New Hampshire Av, Suite 200 Portsmouth NH 03801 AGENCY 0000009737	INSURANCE COMPANY Granite State Insurance Company Member American International Group, Inc Executive Offices: 70 Pine St. New York NY 10270								
NAME AND MAILING ADDRESS OF INSURED ADLEN GROUP ENTERPRISES 8103 S ALAMEDA ST LOS ANGELES CA 90001	<table border="0"> <tr> <td>POLICY NUMBER</td> <td>RENEWAL OF</td> </tr> <tr> <td>02-LX -3495774-1/000</td> <td>02-LX-3495774-0</td> </tr> <tr> <td colspan="2">POLICY PERIOD</td> </tr> <tr> <td>FROM: 02-11-04</td> <td>TO: 02-11-05</td> </tr> </table> at 12:01 A.M. standard time at the mailing address shown.	POLICY NUMBER	RENEWAL OF	02-LX -3495774-1/000	02-LX-3495774-0	POLICY PERIOD		FROM: 02-11-04	TO: 02-11-05
POLICY NUMBER	RENEWAL OF								
02-LX -3495774-1/000	02-LX-3495774-0								
POLICY PERIOD									
FROM: 02-11-04	TO: 02-11-05								

AADLEN BROTHERS AUTO WRECKING
 FOREIGN U-PICK U-PULL WRECKING
 BROTHERS AUTO SALE
 AMERICAN TRUCK SALVAGE LOT
 ADLEN GROUP ENTERPRISES
 NATHAN B. & DOROTHY ADLEN
 SAMSON AUTO SALVAGE

U-PICK AUTO WRECKING
 CALIFORNIA CAR HIKERS
 BROTHERS AUTO WRECKING
 UNIVERSAL AUTO WRECKING
 ADLEN FAMILY LIMITED PARTNERSHIP
 SOLID WASTE GENERAL CORP.

FORMS SCHEDULE

NAME AND ADDRESS OF AGENCY Willis of New Hampshire 1 New Hampshire Av, Suite 200 Portsmouth NH 03801 AGENCY 0000009737	INSURANCE COMPANY Granite State Insurance Company Member American International Group, Inc Executive Offices: 70 Pine St. New York NY 10270
NAME AND MAILING ADDRESS OF INSURED ADLEN GROUP ENTERPRISES 8103 S ALAMEDA ST LOS ANGELES CA 90001	POLICY NUMBER 02-LX -3495774-1/000 POLICY PERIOD FROM: 02-11-04 TO: 02-11-05 RENEWAL OF 02-LX-3495774-0 at 12:01 A.M. standard time at the mailing address shown.

COMMON POLICY PACKAGE

81127 (12-02) TERRORISM EXCLUSION
IL0017 (11-98) COMMON POLICY CONDITIONS
IL0270 (07-02) CALIFORNIA CHANGES - CANCELLATION & NONRENEWAL

COMMERCIAL PROPERTY

CP0090 (07-88) COMMERCIAL PROPERTY CONDITIONS
CP0186 (04-86) CHANGES - POLLUTANTS
IL0103 (07-02) CALIFORNIA CHANGES - ACTUAL CASH VALUE
IL0104 (02-02) CALIFORNIA CHANGES
CP1420 (07-88) ADDITIONAL PROPERTY NOT COVERED
AIU130 (10-90) COMMERCIAL PROPERTY EXTENSION ENDT
G7361 (10-90) CAUSES OF LOSS - SPECIAL FORM
G7362 (10-90) BUILDING & PERSONAL PROPERTY COVERAGE FORM

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H--DEFINITIONS

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. **Building**, meaning the building or structure described in the Declarations, including:

- 1) Completed additions;
- 2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery;
 - (c) Equipment; and
 - (d) Signs Attached to Buildings.
- 3) Outdoor fixtures;
- 4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dish washing or laundering;
- 5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 1000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property Separation of Coverage form:

- 1) Furniture and fixtures;
- 2) Machinery and equipment;
- 3) "Stock";
- 4) All other personal property owned by you and used in your business;
- 5) Labor, materials or services furnished or arranged by you on personal property of others;
- 6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions;
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;

- 7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. **Personal Property of Others** that is:

- 1) In your case, custody or control; and
- 2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - 1) The lowest basement floor; or
 - 2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other 'insurance';
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Underground pipes, flues or drains;
- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - 1) Are licensed for use on public roads; or
 - 2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (b) Vehicles or self-propelled machines, other than autos, you hold for sale; or
 - (c) Rowboats or canoes out of water at the described premises;
- p. The following property while outside of buildings:
- 1) Grain, hay, straw or other crops;
 - 2) Fences, radio or television antennas, satellite dish, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the Coverage Extensions.

3. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- 1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- 2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this policy applicable to that loss or damage.But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.
- 3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- 1) While it is being moved or while temporarily stored at another location; and
- 2) Only if the loss or damage occurs within 10 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

- 1) Assumed by contract or agreement prior to loss; or
- 2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- 1) The date of direct physical loss or damage; or
- 2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. A \$1,000 deductible will apply to this Additional coverage.

e. Recharge of Fire Protection Equipment

We will pay expenses you incur to recharge your fire protection equipment, when you used your equipment or the equipment automatically discharges, to protect your covered property as a result of a covered cause of loss.

The most we will pay under this extension is \$5000. No deductible applies to this extension.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

- 1) You may extend the insurance that applies to Building to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000.

- 2) You may extend the insurance that applies to Your Business Personal property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- 3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 180 days expire after you acquire or begin to construct the property, or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Effects and Property of Others.

You may extend the insurance that applies to Your Business Personal Property to apply to:

- 1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- 2) Personal property of others in your care, custody or control.

Unless a higher limit is specified in the declarations the most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for account of the owner of the property.

c. Valuable Papers and Records-Cost of Research

You may extend the insurance that applies to Your Business personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist.

The most we will pay under this Extension is \$25,000 at each described premises.

d. Property Off-Premises

You may extend the insurance provided by this coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property in or on a vehicle. Coverage is provided for up to 90 days, but not past expiration date of the policy.

The most we will pay for loss or damage under this Extension is \$25,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, satellite dish signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- 1) Fire;
- 2) Lightning;
- 3) Explosion;
- 4) Riot or Civil Commotion; or
- 5) Aircraft.

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$250 for any one tree, shrub or plant.

f. Property in Transit

You may extend the insurance that applies to your Business Personal property to apply to property while in transit within the Continental United States, Alaska, Hawaii, Puerto Rico, or Canada, or between these places. This extension does not apply to property that is otherwise covered for transit, or to property of others that you are responsible for as a carrier for hire, as a shipper, or hauler. Nor does it apply to property once it is in the care of the United States Postal Service. The most we will pay under this extension is \$5000.

g. Accounts Receivable Coverage

You may extend the insurance that applies to your Business Personal property to apply to your accounts receivable records.

We will pay:

- 1) All amounts due from your customers that you are unable to collect.
- 2) Interest charges on any loans required to offset amounts you are unable to collect pending our payment of these amounts.
- 3) Reasonable collection expenses in excess of your normal collection expenses that are made necessary by the loss, and
- 4) Other reasonable expense that you incur to re-establish your records of account receivable.

The most we will pay under this extension is \$25,000 at each described premises.

h. Fine Arts Coverage

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts. Fine arts means antiques, paintings, statues, and objects of art of every nature and description. The most we will pay under this extension is \$25,000.

i. Computer equipment Coverage

You may extend the insurance that applies to your business personal Property to apply to "computer equipment", "media", "data" and "programs" which you own, lease, or rent from others, or for which you are legally responsible. We will pay the replacement cost to reproduce data or programs that are lost or accidentally erased, including documentation and source materials, if you actually replace or reproduce them.

The most we will pay under this extension is \$25,000 unless a higher limit for computer equipment, data and media is specifically shown in the declarations page, up to a maximum of \$250,000.

B. EXCLUSIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge, Recharge of Fire Protection Equipment, and Pollutant Clean Up and Removal Additional Coverages are in Addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
 - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

We will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraiser will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

You must see that the following are done in the event of loss or damage to Covered Property:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f. Permit us to inspect the property and records proving the loss or damage. Also permit us to take samples of damaged property for inspection, testing and analysis.

- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
- h. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- i. Cooperate with us in the investigation or settlement of the claim.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - 1) Pay the value of lost or damaged property;
 - 2) Pay the cost of repairing or replacing the lost or damaged property;
 - 3) Take all or any part of the property at an agreed or appraised value; or
 - 4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may select to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn statement of loss, if:
 - 1) You have complied with all of the terms of this Coverage Part; and
 - 2)
 - (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before the loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - 1) Vandalism;
 - 2) Sprinkler leakage, unless you have protected the system against freezing;
 - 3) Building glass breakage;
 - 4) Water damage,
 - 5) Theft; or
 - 6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction are not considered vacant.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement. This provision does not apply to the following even when attached to the building:
 - 1) Awnings or floor coverings;
 - 2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - 3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing materials if required by law.
- e. Tenant's Improvements and Betterments at:
 - 1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - 2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - 3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - 1) Blank materials for reproducing the records; and
 - 2) Labor to transcribe or copy the records when there is a duplicate.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:
 - 1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - 2) Divide the Limit of Insurance of the property by the figure determined in step (1);
 - 3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and
 - 4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1: (Underinsurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000

The deductible is \$250
 The amount of loss is \$40,000
 Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step (2): $\$100,000 \text{ divided by } \$200,000 = .50$
 Step (3): $\$40,000 \times .50 = \$20,000$
 Step (4): $\$20,000 - \$250 = 419,750$.
 We will pay no more than \$19,750.
 The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is \$250,000
 The coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$200,000
 The Deductible is \$250
 The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step (2): $\$200,000 \text{ divided by } \$200,00 = 1.00$
 Step (3): $\$40,000 \times 1.00 = \$40,000$
 Step (4): $\$40,000 - \$250 = \$29,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies:

Example No. 3:

When:

The value of property is:
 Bldg. At Location No. 1 \$ 75,000
 Bldg. At Location No. 2 \$ 100,000
 Personal Property at Location No. 2 \$ 75,000
 \$ 250,000

The Coinsurance percentage for It is 90%
 The Limit of Insurance for Buildings and Personal
 Property at Location Nos. 1 and 2 is \$ 180,000

The Deductible is \$ 1,000
 The amount of loss is Bldg. at Location No. 2 \$ 30,000
 Personal Property at Location No. 2. \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)
 Step (2): $\$180,000 \text{ divided by } \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$
Step (4): $\$40,000 - \$1000 = \$39,000$
We will pay no more than \$39,000.
The remaining \$11,000 is not covered.

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - 1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - 2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
 - 3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of the Coverage Part:
 - 1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - 2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - 1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - 2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown in the declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay not more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Original Coverage shown in the Declarations is not extended the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage than occurs:

- 1) On or after the effective date of this Optional Coverage; and
- 2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - 1) Property of others;
 - 2) Contents of residence;
 - 3) Manuscripts;
 - 4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and Bric-a-brac; or
 - 5) "Stock", unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss to damage.
- d. We will not pay on a replacement cost basis for any loss or damage;
 - 1) Until the lost or damaged property is actually repaired or replaced; and
 - 2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
 - 1) The Limit of Insurance applicable to the lost or damaged property;
 - 2) The cost to replace, on the same premises, the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purposes; or
 - 3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

H. DEFINITIONS

1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
3. **"Computer Equipment"** means data processing systems including keyboards, display screens, terminals, printers and related peripheral equipment used solely for data processing operations. This does not include such equipment held for sale, distribution or manufactured products in the course of your business.
4. **"Media"** means items such as magnetic tapes, disks, cards or paper products on which data is recorded.
5. **"Data"** means information, instructions, or programs material that is recorded on your media, including original source material used to enter data.
6. **"Programs"** means programs that are purchased or written specifically to be used with the computer system.

This endorsement, effective 12:01 A. M.

forms a part of Policy

No.

issued to

by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of a certified "act of terrorism" defined by Section 102. Definitions., of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

For purposes of this endorsement and in compliance with the Terrorism Risk Insurance Act of 2002, an "act of terrorism" shall mean:

(1) Act of Terrorism –

(A) Certification. – The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States --

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to --

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of --

(I) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission];

(II) the premises of a United States mission; and

(iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

(B) Limitation. -- No act shall be certified by the Secretary as an act of terrorism if --

(i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or

- (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. – Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. – The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms and conditions of the policy are the same.

Authorized Representative or Countersignature
(where required by law)

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

- A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:**

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a.** 10 days before the effective date of cancellation if we cancel for:
 - (1)** Nonpayment of premium; or
 - (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a.** If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
 - (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a.(1) or 3.a.(2); or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the **Cancellation Common Policy Condition**:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Capital Assets Program Coverage Form (Output Policy);
 - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

- .C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below:
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Capital Assets Program Coverage Form (Output Policy)

- (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

- (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – POLLUTANTS

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART

- A. The changes below apply to the following forms:

BUILDING AND PERSONAL PROPERTY
COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
TOBACCO SALES WAREHOUSES COVERAGE FORM

1. Under PROPERTY NOT COVERED, the following is added:

Covered Property does not include water.

2. The DEBRIS REMOVAL Additional Coverage is replaced by the following:

Debris Removal

- a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

- b. The most we will pay under this Additional Coverage is 25% of:

- (1) The amount we pay for the direct loss or damage; plus
- (2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limit of Insurance section.

- c. This Additional Coverage does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

3. The following Additional Coverage is added:

Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

- a. The date of direct physical loss or damage; or
- b. The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This limit is in addition to the Limits of Insurance.

4. Paragraph 2. of the LIMITS OF INSURANCE Section is replaced by the following:

2. Debris Removal; but if:

- a. The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 2.b. above;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. The following DEFINITION is added:

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

B. The PERIOD OF RESTORATION definition is revised to include the following in the:

BUSINESS INCOME COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES – BROAD FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES – LIMITED FORM

EXTRA EXPENSE FROM DEPENDENT PROPERTIES FORM

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

C. The CAUSES OF LOSS – SPECIAL FORM is revised as follows:

1. The exclusion of, "Release, discharge or dispersal of contaminants or pollutants" in paragraph B.2.d.(4) is deleted.
2. The following Exclusion is added:

We will not pay for loss or damage caused by or resulting from the release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
 COVERAGES, CONDITIONS, DEFINITIONS
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE
 FORM
 STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

B. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:

We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

1. This Coverage Part;
2. The Covered Property;
3. That insured's ("insured's") interest in the Covered Property; or
4. A claim under this Coverage Part or Coverage Form.

C. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:

This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

1. This Coverage Part;
2. The Covered Property;
3. An insured's ("insured's") interest in the Covered Property; or
4. A claim under this Coverage Part or Coverage Form.

POLICY NUMBER:

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL PROPERTY NOT COVERED

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

The following is added to PROPERTY NOT COVERED:

SCHEDULE*

Prem. No.	Bldg. No.	Description of Property
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*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY EXTENSION ENDORSEMENT

(For use with Building and Personal Property Coverage Form, Business Income Coverage Form or Business Income (and Extra Expense) Coverage Form and Cause Loss-Special Form.)

In consideration of the additional premium charged, this endorsement modifies insurance provided under the following:

A. Building and Personal Property Coverage Forms

1. Additional Coverages

- a. Section A. Coverage – Paragraph 4 – Additional Coverages, the following is added:

f. Money and Securities

We will cover money and securities used in your business that are lost, damaged or destroyed as a result of a covered cause of loss. The most we will pay for the coverage is:

1. \$10,000 on your premises stated in the declarations, or in a recognized savings or banking institution, and
2. \$5,000 away from your premises while in transit by a person authorized by you, or within the living quarters of someone to whom you have entrusted the covered property.

Money means currency, coins, bank notes, bullion, traveler checks and registered checks.

Securities means documents or instruments of trade that represents money or property, such as revenue stamps, tokens, tickets, and unused postage on meters. We will not cover manuscripts, records or accounting books.

When the loss of money occurs, we will pay the cost to replace the money.

When the loss of securities occurs, we will pay the attached cash value of the securities at the end of the last business day before the loss is discovered, or the cost to replace the securities, whichever is less. We will not pay the loss of income, interest, or dividends that occurs as a result of a covered loss.

g. Inflation Protection

The limit of insurance for covered property will automatically increase at an annual rate of six percent. The annual increase will be prorated at the time of any covered loss or damage, based on the number of days since inception of the coverage.

2. Coverage Extensions

Section A. Coverage, Paragraph 5, Coverage Extensions, the following is added:

j. Installation Coverage

We will pay for loss or damage by a covered cause of loss to covered property while it is at a job site, or while temporarily being stored for up to 90 days while waiting to be installed. This coverage stops once the property is installed, or the buyer accepts the work as completed, whichever comes first.

The most we will pay under this extension is \$10,000.

3. Section E. Loss Conditions

- a. Item 4.a. Loss Payment, the following option may be selected by you:

If Branded or Labeled merchandise is damaged, you may at your own expense;

- 1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise, or
- 2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

If you elect one of these options, we will pay the difference between the salvage value of damaged merchandise with the brand or label attached; and the salvage value of damaged merchandise with the brand or label removed.

b. Item 4.g. is added:

We will pay up to \$10,000 towards the cost of inventories that we request, or appraisals that are required under the Loss Conditions.

B. Causes of Loss-Special Form

When the Causes of Loss - Special Form applies to Covered Property or Business Income, the following changes apply:

Section B. Exclusions - Limited coverage is provided for the following otherwise excluded causes of loss.

1.a. Ordinance or Law

If a Covered Cause of Loss occurs to covered Building property, we will pay:

1. For loss or damage caused by enforcement of any law that:
 - a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - c. Is in force at the time of loss.
2. The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.
3. The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use law.

We will not pay for increased construction costs under this endorsement:

1. Until the property is actually repaired or replaced on the same premises or elsewhere; and
 2. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.
- However, we will not pay under this endorsement for the costs associated with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of "pollutants".

We will not pay more:

1. If the property is not repaired or replaced on the same premises, than the amount you actually spend to;
 - a. Demolish and clear the site; and
 - b. Repair, rebuild or construct the property but not for more than property of the same height, flood area and style on the same premises.
2. If the property is not repaired or replaced on the same premises than;
 - A. The amount you actually spend to demolish and clear the site; and
 - B. The cost to replace on the same premises the damaged or destroyed property with other property
 - (1) Of comparable material and quality;
 - (2) Of the same height, floor area and style; and
 - (3) Used for the same purpose.

This additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

The Terms of this Coverage apply separately to each location in the declarations.

1.b. Earth Movement

We will pay up to \$25,000 for direct physical loss or damage to Covered Property caused directly or indirectly by this otherwise excluded cause of loss.

This limited coverage does not apply to loss of Business income or Extra Expense. We will not pay for loss or damage until the loss or damage exceeds \$1,000 and then we will pay the amount of loss or damage up to \$25,000.

1.e Off Premises Utility Failure

We will pay up to \$25,000 for loss or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises.

A. Water Supply Services, meaning the following types of property supplying water to the described premises:

1. Pumping stations; and
2. Water mains.

B. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

1. Communication transmission lines;
2. Coaxial cables; and
3. Microwave radio relays except satellites.

It does not include overhead transmission lines.

C. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

1. Utility generating plants;
2. Switching stations;
3. Substations;
4. Transformers; and
5. Transmission lines.

It does not include overhead transmission lines.

1.g. Water

We will pay up to \$25,000 for direct physical loss or damage to Covered Property caused directly or indirectly by this otherwise excluded cause of loss.

This limited coverage does not apply to loss of Business Income or Extra Expense. We will not pay for loss or damage until the amount exceeds \$1,000, and then we will pay the amount of the loss or damage up to \$25,000.

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2. Changes or Extremes in Temperature or Humidity

We will pay up to \$25,000 for direct physical loss or damage to business Personal Property caused by changes in or extremes of temperature or humidity.

Unless otherwise stated above, each of these Limited Coverages is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

Section C. Limitations, Item 3 is deleted, and replaced by the following:

3. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- a. \$10,000 for furs, fur garments, and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum, and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$250 for stamps, tickets, and letters of credit if such items are for sale, trade, or show, as part of your business.

C. Other Rules

Unless a separate deductible is stated in the additional coverages and extensions provided in this endorsement, the deductible provision of the building and Personal Property Coverage form applies to these additional coverages and extensions.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss mean RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance of Law

The enforcement of any ordinance or law:

- 1) Regulating the construction, use or repair of any property; or
- 2) Requiring the tearing down of any property, including the cost of removing its debris.

b. Earth Movement

- 1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- 2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion does not apply to the coverage extensions for Accounts Receivable, Valuable Papers, Fine Arts, or Computers.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

This exclusion does not apply to the coverage extensions for Accounts Receivable, Valuable Papers, Fine Arts, or Computers.

f. War and Military Action

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- 1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- 2) Mudslide or mudflow;
- 3) Water that backs up from a sewer or drain; or
- 4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

This exclusion does not apply to the coverage extensions for Accounts.

Receivable, Valuable Papers, Fine Arts, or Computers.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, we will pay for that resulting loss of damage.
- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.
 - 1) Wear and tear;
 - 2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - 3) Smog;
 - 4) Settling, cracking, shrinking or expansion;
 - 5) Insects, birds, rodents or other animals;
 - 6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this exclusion does not apply to any resulting loss or damage caused by elevator collision;
 - 7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

The exclusion for item 2.a. and 2.d. (3), (4), and (7) do not apply to the coverage extension for Accounts Receivable, Valuable Papers, Fine Arts, and Computers.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for the resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 day or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - 1) You do your best to maintain heat in the building or structure; or
 - 2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of you partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - 1) Acting alone or in collusion with others; or
 - 2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - j. Rain, snow, ice or sleet to personal property left open.
 - k. Collapse, except as provided below in the Additional coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.
 - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. Above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - 1) Planning, zoning, development, surveying, siting;
 - 2) Design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - 3) Material used in repair, construction, renovation or remodeling; or
 - 4) Maintenance;

Of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

- 1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock"

This exclusion does not apply to Extra Expense.

- 2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring; mast or towers.
- 3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- 4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- 5) Any other consequential loss.
- b. Leasehold Interest Coverage Form
 - 1) Paragraph B.1.a Ordinance or Law, does not apply to insurance under this Coverage Form.
 - 2) We will not pay for any loss caused by:
 - (a) Your canceling the leases;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.
- c. Legal Liability Coverage Form
 - 1) The following Exclusions do not Apply to insurance under the Coverage Form:
 - (a) Paragraph B.1.a., Ordinance or Law;
 - (b) Paragraph B.1.c, Governmental Action;
 - (c) Paragraph B.1.d., Nuclear Hazard;
 - (d) Paragraph B.1.e., Power Failure; and
 - (e) Paragraph B.1.f., War and Military Action.
 - 2) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.
 - 3) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATIONS

- 1. We will not pay for loss of or damage to:
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - 1) The building or structure first sustains damage by a Covered Cause or Loss to its roof or walls through which the rain, snow, sleet, ice, sand, or dust enter; or
 - 2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in c.4.a. below.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building Glass breakage:
 - a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
 - b. Animals, and then only if they are killed Or their destruction is made necessary.
 - c. Fragile articles, such as glassware, Statuary, marbles, chinaware and Porcelains, if broken. This restriction does not apply to:
 - 1) Glass that is part of a building or structure;
 - 2) Containers of property held for sale; or
 - 3) Photographic or scientific instrument lenses.
 - d. Builders' machinery, tools and equipment you own or that are entrusted to you, while away from the premises described in the declarations, except as provided in paragraph c.4.b. below.
3. For loss or damage by theft, the following Types of property are covered only up to the Limits shown:
 - a. \$5,000 for furs, fur garments and garments trimmed with fur.
 - b. \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$250 for stamps, tickets and letters of credit, if such items are for sale, trade, or show.
4. Builders' Risk Coverage Form Limitations The following provisions apply only to the Builders' Risk Coverage Form.
 - a. Limitation 1.d. is replaced by the following:
 - 1) Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.
 - b. Limitation 2.d. is replaced by the following:
 - 1) Builders' machinery, tools and equipment you own or that are entrusted to you.

D. ADDITIONAL COVERAGE - COLLAPSE

We will pay for loss or damage caused by or resulting from risks or direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

1. The "Specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;
5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items, 3., 4., 5., and 6, Unless the loss or damage is a direct result of the collapse of a: building, outdoor radio or television antennas, including their lead-in wiring, masts or towers, awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences, piers, wharves and docks; beach or diving platforms or appurtenance; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, Bulging, expansion, or decomposition of building material, which is an integral part of the structure.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

1. **Property In Transit.** This Extension applies only to your personal property to which this form applies.
 - a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salesperson) in transit more than 1,000 feet from the described premises. Property must be in or a motor vehicle you own, leave or operate while between points in the coverage territory.
 - b. Loss or damage must be caused by or resulting from one of the following causes of loss;
 - 1) Fire, lightning, explosion, windstorm, or hail, riot or civil commotion, or vandalism.
 - 2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object, it does not mean your vehicle's contact with the road bed.
 - 3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
 - c. The most we will pay for loss or damage under this Extension is \$5,000. This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.
2. **Water Damage, Other Liquids, Power or Molten Material Damage.** If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

F. DEFINITIONS

"Specified Causes of Loss" means the following:

- fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing, equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty Spaces created by the action of water on Limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling, sinkhole; or
 - b. Sinking or collapse of land into man-made underground cavities.
 2. Falling objects does not include loss or damage to:
 - a. Personal property in the open; or
 - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the Building or structure is first damaged by a falling object.
 3. **Water damage** means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

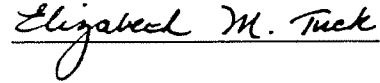
ADDENDUM TO THE COMMON POLICY DECLARATIONS

IN WITNESS WHEREOF, the Insurance Company identified on the Common Policy Declarations has caused this policy to be signed by its President, Secretary and a duly authorized representative of the Insurance Company.



Kristian P. Moor
PRESIDENT

American International Pacific Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

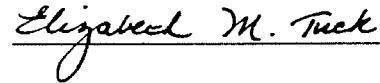


Elizabeth M. Tuck
SECRETARY

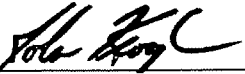


Susan M. Rivera
PRESIDENT

American Home Assurance Company

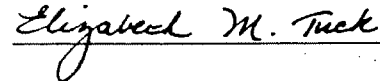


Elizabeth M. Tuck
SECRETARY



John W. Keogh
PRESIDENT

National Union Fire Insurance Company of Pittsburgh, Pa.

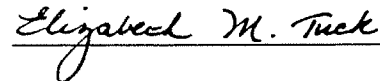


Elizabeth M. Tuck
SECRETARY



W. Gordon Knight
PRESIDENT

American International South Insurance Company

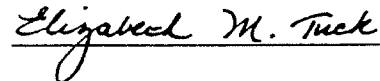


Elizabeth M. Tuck
SECRETARY



Darrell W. Alligood
PRESIDENT

National Union Fire Insurance Company of Louisiana

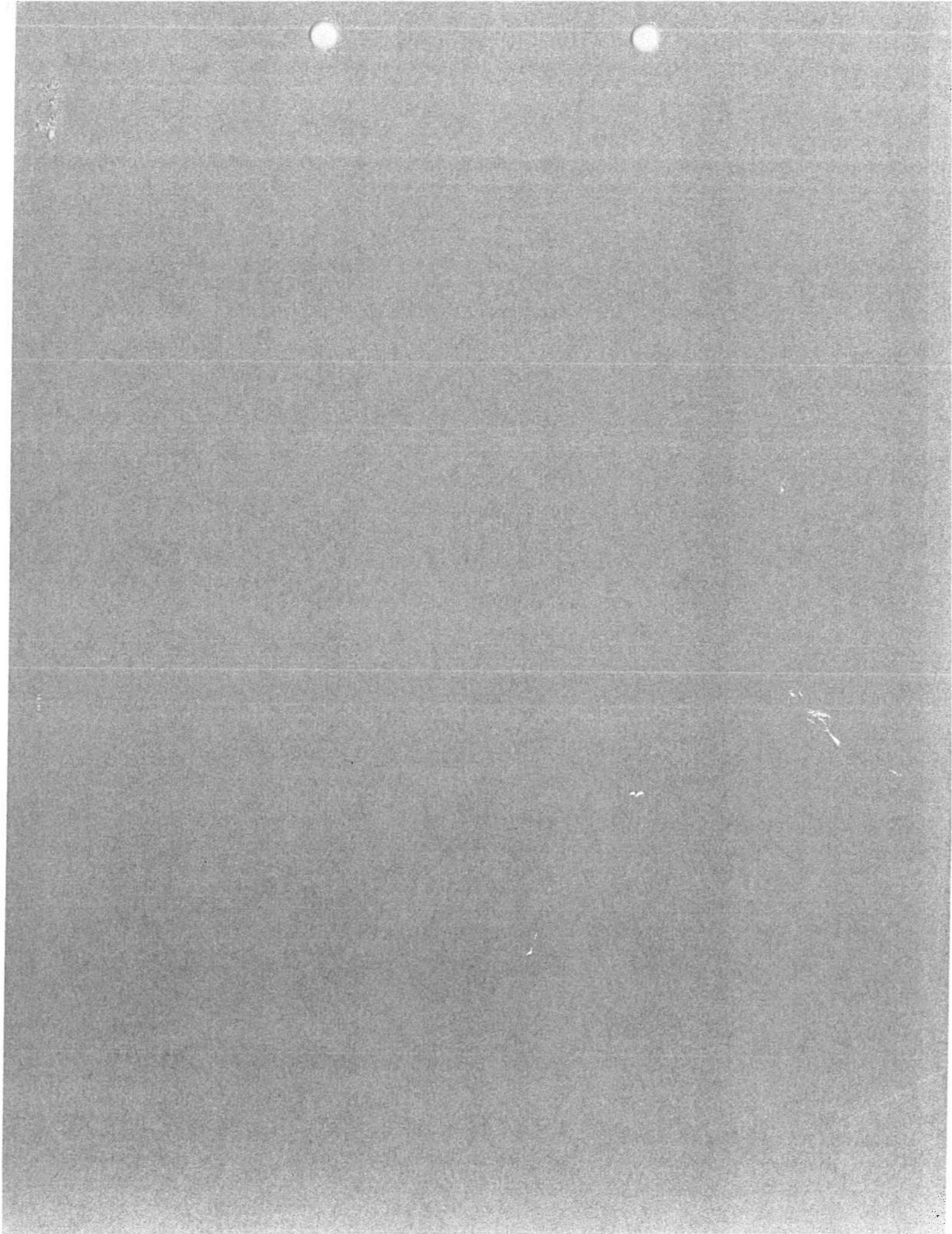


Elizabeth M. Tuck
SECRETARY

AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE DATE

COUNTERSIGNED AT



Common Policy Declarations

DECLARATIONS

NAME AND ADDRESS OF AGENCY

STEVEN H. SPIEGLER
Insurance Services Inc.

7855 Ivanhoe Ave., Suite 460 • La Jolla, California 92037
 License # OB71012

☎ 200
 03801
 Y 0000009737

INSURANCE COMPANY

Granite State Insurance Company
 Member American International Group, Inc
 Executive Offices: 70 Pine St.
 New York NY 10270

NAME AND MAILING ADDRESS OF INSURED

ADLEN GROUP ENTERPRISES
 8103 S ALAMEDA ST
 LOS ANGELES CA 90001

POLICY NUMBER

02-LX -3495774-0/000

POLICY PERIOD

FROM: 02-11-03 TO: 02-11-04

at 12:01 A.M. standard time at the mailing address shown.

THE NAMED INSURED IS : CORPORATION

BUSINESS DESC : USED AUTO PARTS

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

PREMIUM

COMMERCIAL PROPERTY COVERAGE PART	1,381
COMMERCIAL GENERAL LIABILITY COVERAGE PART	NOT COVERED
COMMERCIAL CRIME COVERAGE PART	NOT COVERED
COMMERCIAL INLAND MARINE COVERAGE PART	NOT COVERED
COMMERCIAL AUTO COVERAGE PART	NOT COVERED
GARAGE COVERAGE PART	NOT COVERED
MISCELLANEOUS PROFESSIONAL LIABILITY	NOT COVERED

ESTIMATED TOTAL PREMIUM	\$1,381
CALIFORNIA CIGA SURCHARGE	27.62
GRAND TOTAL	\$1,408.62

FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS

1L0017 (11-98) 1L0270 (03-00)

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Original

Page 1 of 2



SIGNATURE OF AUTHORIZED REPRESENTATIVE

02-11-03

Commercial Property

DECLARATIONS

NAME AND ADDRESS OF AGENCY Willis of New Hampshire 1 New Hampshire Av, Suite 200 Portsmouth NH 03801 AGENCY 0000009737	INSURANCE COMPANY Granite State Insurance Company Member American International Group, Inc Executive Offices: 70 Pine St. New York NY 10270
NAME AND MAILING ADDRESS OF INSURED ADLEN GROUP ENTERPRISES 8103 S ALAMEDA ST LOS ANGELES CA 90001	POLICY NUMBER 02-LX -3495774-0/000 POLICY PERIOD FROM: 02-11-03 TO: 02-11-04 At 12:01 A.M. standard time at the mailing address shown.

BUILDING - 1

PREM. NO. 1 BLDG. NO. 1 11409 PENROSE ST, 8520 TELFAIR SUN VALLEY, CA. 91352				
COVERAGES PROVIDED _____ INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN				
COVERAGE	CAUSE OF LOSS	DED \$	COINSURANCE	LIMIT OF INSURANCE \$
BUSINESS PERSONAL PROPERTY SPECIAL-Incl theft 1,000 90% 100,000				
OPTIONAL COVERAGES				
PERSONAL PROPERTY: REPLACEMENT COST				

TOTAL PROPERTY PREMIUM	\$1,381
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FORMS AND ENDORSEMENTS

APPLYING TO COMMERCIAL PROPERTY COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

69813 (02-98)	CP0090 (07-88)	CP0186 (04-86)	1L0103 (06-99)	1L0104 (02-02)	AIU130 (10-90)
G7361 (10-90)	G7362 (10-90)	81127 (12-02)	81146 (11-02)		

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

FORMS SCHEDULE

NAME AND ADDRESS OF AGENCY Willis of New Hampshire 1 New Hampshire Av, Suite 200 Portsmouth NH 03801 AGENCY 0000009737	INSURANCE COMPANY Granite State Insurance Company Member American International Group, Inc Executive Offices: 70 Pine St. New York NY 10270
NAME AND MAILING ADDRESS OF INSURED ADLEN GROUP ENTERPRISES 8103 S ALAMEDA ST LOS ANGELES CA 90001	POLICY NUMBER 02-LX -3495774-0/000 POLICY PERIOD FROM: 02-11-03 TO: 02-11-04 at 12:01 A.M. standard time at the mailing address shown.

COMMON POLICY PACKAGE

IL0017 (11-98) COMMON POLICY CONDITIONS
IL0270 (03-00) CALIFORNIA CHANGES - CANCELLATION & NONRENEWAL

COMMERCIAL PROPERTY

69813 (02-98) COMBINED PROPERTY/BOILER & MACHINERY MILLENIUM END
CP0090 (07-88) COMMERCIAL PROPERTY CONDITIONS
CP0186 (04-86) CHANGES - POLLUTANTS
IL0103 (06-99) CALIFORNIA CHANGES - ACTUAL CASH VALUE
IL0104 (02-02) CALIFORNIA CHANGES
AIU130 (10-90) COMMERCIAL PROPERTY EXTENSION ENDT
G7361 (10-90) CAUSES OF LOSS - SPECIAL FORM
G7362 (10-90) BUILDING & PERSONAL PROPERTY COVERAGE FORM
81127 (12-02)
81146 (11-02)

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

- A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:**

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
- (1) Nonpayment of premium; or
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
- (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a.(1) or 3.a.(2); or

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the **Cancellation** Common Policy Condition:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Businessowners Policy

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.

b. We may not cancel this policy solely because the first Named Insured has:

(1) Accepted an offer of earthquake coverage; or

(2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Businessowners Policy – Businessowners Special Property Coverage Form;

(2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Businessowners Policy

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below:

b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (**d.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Businessowners Policy – Businessowners Special Property Coverage Form;

(2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

ENDORSEMENT #

This endorsement effective 12:01 A.M.
policy number
Issued to:

forms a part of

By

**COMBINED PROPERTY/BOILER & MACHINERY
MILLENNIUM ENDORSEMENT**

This policy is hereby amended as follows:

A. The Insurer will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the inability to:

1. correctly recognize any date as its true calendar date;
2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.

B. It is further understood that the Insurer will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

C. It is further understood that the Insurer will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

Such Damage or Consequential Loss described in A, B, or C above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow, sudden and accidental breakdown of an object, including mechanical and electrical breakdown.

All other terms, conditions and exclusions of this policy remain unchanged.

Authorized Representative

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – POLLUTANTS

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART

- A. The changes below apply to the following forms:

BUILDING AND PERSONAL PROPERTY
COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
TOBACCO SALES WAREHOUSES COVERAGE FORM

1. Under PROPERTY NOT COVERED, the following is added:

Covered Property does not include water.

2. The DEBRIS REMOVAL Additional Coverage is replaced by the following:

Debris Removal

- a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

- b. The most we will pay under this Additional Coverage is 25% of:

- (1) The amount we pay for the direct loss or damage; plus
- (2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limit of Insurance section.

- c. This Additional Coverage does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

3. The following Additional Coverage is added:

Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

- a. The date of direct physical loss or damage; or
- b. The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This limit is in addition to the Limits of Insurance.

4. Paragraph 2. of the LIMITS OF INSURANCE Section is replaced by the following:

2. Debris Removal; but if:

- a. The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 2.b. above;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. The following DEFINITION is added:

"**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- **B.** The PERIOD OF RESTORATION definition is revised to include the following in the:
BUSINESS INCOME COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
BUSINESS INCOME FROM DEPENDENT PROPERTIES – BROAD FORM
BUSINESS INCOME FROM DEPENDENT PROPERTIES – LIMITED FORM
EXTRA EXPENSE FROM DEPENDENT PROPERTIES FORM

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

C. The CAUSES OF LOSS – SPECIAL FORM is revised as follows:

- 1. The exclusion of, "Release, discharge or dispersal of contaminants or pollutants" in paragraph B.2.d.(4) is deleted.

- 2. The following Exclusion is added:

We will not pay for loss or damage caused by or resulting from the release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
 COVERAGES, CONDITIONS, DEFINITIONS
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE
 FORM
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY EXTENSION ENDORSEMENT

(For use with Building and Personal Property Coverage Form, Business Income Coverage Form or Business Income (and Extra Expense) Coverage Form and Cause Loss-Special Form.)

In consideration of the additional premium charged, this endorsement modifies insurance provided under the following:

A. Building and Personal Property Coverage Forms

1. Additional Coverages

- a. Section A. Coverage – Paragraph 4 – Additional Coverages, the following is added:

f. Money and Securities

We will cover money and securities used in your business that are lost, damaged or destroyed as a result of a covered cause of loss. The most we will pay for the coverage is:

1. \$10,000 on your premises stated in the declarations, or in a recognized savings or banking institution, and
2. \$5,000 away from your premises while in transit by a person authorized by you, or within the living quarters of someone to whom you have entrusted the covered property.

Money means currency, coins, bank notes, bullion, traveler checks and registered checks.

Securities means documents or instruments of trade that represents money or property, such as revenue stamps, tokens, tickets, and unused postage on meters. We will not cover manuscripts, records or accounting books.

When the loss of money occurs, we will pay the cost to replace the money.

When the loss of securities occurs, we will pay the attached cash value of the securities at the end of the last business day before the loss is discovered, or the cost to replace the securities, whichever is less. We will not pay the loss of income, interest, or dividends that occurs as a result of a covered loss.

g. Inflation Protection

The limit of insurance for covered property will automatically increase at an annual rate of six percent. The annual increase will be prorated at the time of any covered loss or damage, based on the number of days since inception of the coverage.

2. Coverage Extensions

Section A. Coverage, Paragraph 5, Coverage Extensions, the following is added:

j. Installation Coverage

We will pay for loss or damage by a covered cause of loss to covered property while it is at a job site, or while temporarily being stored for up to 90 days while waiting to be installed. This coverage stops once the property is installed, or the buyer accepts the work as completed, whichever comes first.

The most we will pay under this extension is \$10,000.

3. Section E. Loss Conditions

- a. Item 4.a. Loss Payment, the following option may be selected by you:

If Branded or Labeled merchandise is damaged, you may at your own expense;

- 1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise, or
- 2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

If you elect one of these options, we will pay the difference between the salvage value of damaged merchandise with the brand or label attached; and the salvage value of damaged merchandise with the brand or label removed.

b. Item 4.g. is added:

We will pay up to \$10,000 towards the cost of inventories that we request, or appraisals that are required under the Loss Conditions.

B. Causes of Loss-Special Form

When the Causes of Loss - Special Form applies to Covered Property or Business Income, the following changes apply:

Section B. Exclusions - Limited coverage is provided for the following otherwise excluded causes of loss.

1.a. Ordinance or Law

If a Covered Cause of Loss occurs to covered Building property, we will pay:

1. For loss or damage caused by enforcement of any law that:
 - a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - c. Is in force at the time of loss.
2. The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.
3. The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use law.

We will not pay for increased construction costs under this endorsement:

1. Until the property is actually repaired or replaced on the same premises or elsewhere; and
2. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

However, we will not pay under this endorsement for the costs associated with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of "pollutants".

We will not pay more:

1. If the property is not repaired or replaced on the same premises, than the amount you actually spend to;
 - a. Demolish and clear the site; and
 - b. Repair, rebuild or construct the property but not for more than property of the same height, flood area and style on the same premises.
2. If the property is not repaired or replaced on the same premises than;
 - A. The amount you actually spend to demolish and clear the site; and
 - B. The cost to replace on the same premises the damaged or destroyed property with other property
 - (1) Of comparable material and quality;
 - (2) Of the same height, floor area and style; and
 - (3) Used for the same purpose.

This additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

The Terms of this Coverage apply separately to each location in the declarations.

1.b. Earth Movement

We will pay up to \$25,000 for direct physical loss or damage to Covered Property caused directly or indirectly by this otherwise excluded cause of loss.

This limited coverage does not apply to loss of Business income or Extra Expense. We will not pay for loss or damage until the loss or damage exceeds \$1,000 and then we will pay the amount of loss or damage up to \$25,000.

1.e Off Premises Utility Failure

We will pay up to \$25,000 for loss or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises.

A. Water Supply Services, meaning the following types of property supplying water to the described premises:

1. Pumping stations; and
2. Water mains.

B. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

1. Communication transmission lines;
2. Coaxial cables; and
3. Microwave radio relays except satellites.

It does not include overhead transmission lines.

C. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

1. Utility generating plants;
2. Switching stations;
3. Substations;
4. Transformers; and
5. Transmission lines.

It does not include overhead transmission lines.

1.g. Water

We will pay up to \$25,000 for direct physical loss or damage to Covered Property caused directly or indirectly by this otherwise excluded cause of loss.

This limited coverage does not apply to loss of Business Income or Extra Expense. We will not pay for loss or damage until the amount exceeds \$1,00, and then we will pay the amount of the loss or damage up to \$25,000.

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2. Changes or Extremes in Temperature or Humidity

We will pay up to \$25,000 for direct physical loss or damage to business Personal Property caused by changes in or extremes of temperature or humidity.

Unless otherwise stated above, each of these Limited Coverages is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

Section C. Limitations, Item 3 is deleted, and replaced by the following:

3. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- a. \$10,000 for furs, fur garments, and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum, and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$250 for stamps, tickets, and letters of credit if such items are for sale, trade, or show, as part of your business.

C. Other Rules

Unless a separate deductible is stated in the additional coverages and extensions provided in this endorsement, the deductible provision of the building and Personal Property Coverage form applies to these additional coverages and extensions.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss mean RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Ordinance of Law

The enforcement of any ordinance or law:

- 1) Regulating the construction, use or repair of any property; or
- 2) Requiring the tearing down of any property, including the cost of removing its debris.

- b. Earth Movement

- 1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- 2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion does not apply to the coverage extensions for Accounts Receivable, Valuable Papers, Fine Arts, or Computers.

- c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this coverage Part.

- d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

This exclusion does not apply to the coverage extensions for Accounts Receivable, Valuable Papers, Fine Arts, or Computers.

f. War and Military Action

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- 1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- 2) Mudslide or mudflow;
- 3) Water that backs up from a sewer or drain; or
- 4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

This exclusion does not apply to the coverage extensions for Accounts.

Receivable, Valuable Papers, Fine Arts, or Computers.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by fire results, we will pay for that resulting loss of damage.
- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.
 - 1) Wear and tear;
 - 2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - 3) Smog;
 - 4) Settling, cracking, shrinking or expansion;
 - 5) Insects, birds, rodents or other animals;
 - 6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this exclusion does not apply to any resulting loss or damage caused by elevator collision;
 - 7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

The exclusion for item 2.a. and 2.d. (3), (4), and (7) do not apply to the coverage extension for Accounts Receivable, Valuable Papers, Fine Arts, and Computers.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for the resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 day or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - 1) You do your best to maintain heat in the building or structure; or
 - 2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of you partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - 1) Acting alone or in collusion with others; or
 - 2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - j. Rain, snow, ice or sleet to personal property left open.
 - k. Collapse, except as provided below in the Additional coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.
 - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. Above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - 1) Planning, zoning, development, surveying, siting;
 - 2) Design, specification, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - 3) Material used in repair, construction, renovation or remodeling; or
 - 4) Maintenance;

Of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form
We will not pay for:
 - 1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock"

This exclusion does not apply to Extra Expense.

- 2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring; mast or towers.
- 3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- 4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- 5) Any other consequential loss.
- b. Leasehold Interest Coverage Form
 - 1) Paragraph B.1.a Ordinance or Law, does not apply to insurance under this Coverage Form.
 - 2) We will not pay for any loss caused by:
 - (a) Your canceling the leases;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.
- c. Legal Liability Coverage Form
 - 1) The following Exclusions do not Apply to insurance under the Coverage Form:
 - (a) Paragraph B.1.a., Ordinance or Law;
 - (b) Paragraph B.1.c, Governmental Action;
 - (c) Paragraph B.1.d., Nuclear Hazard;
 - (d) Paragraph B.1.e., Power Failure; and
 - (e) Paragraph B.1.f., War and Military Action.
 - 2) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.
 - 3) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATIONS

- 1. We will not pay for loss of or damage to:
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - 1) The building or structure first sustains damage by a Covered Cause or Loss to its roof or walls through which the rain, snow, sleet, ice, sand, or dust enter; or
 - 2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in c.4.a. below.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building Glass breakage:
 - a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
 - b. Animals, and then only if they are killed Or their destruction is made necessary.
 - c. Fragile articles, such as glassware, Statuary, marbles, chinaware and Porcelains, if broken. This restriction does not apply to:
 - 1) Glass that is part of a building or structure;
 - 2) Containers of property held for sale; or
 - 3) Photographic or scientific instrument lenses.
 - d. Builders' machinery, tools and equipment you own or that are entrusted to you, while away from the premises described in the declarations, except as provided in paragraph c.4.b. below.
3. For loss or damage by theft, the following Types of property are covered only up to the Limits shown:
 - a. \$5,000 for furs, fur garments and garments trimmed with fur.
 - b. \$5,000 for jewelry, watched, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$250 for stamps, tickets and letters of credit, if such items are for sale, trade, or show.
4. Builders' Risk Coverage Form Limitations The following provisions apply only to the Builders' Risk Coverage Form.
 - a. Limitation 1.d. is replaced by the following:
 - 1) Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.
 - b. Limitation 2.d. is replaced by the following:
 - 1) Builders' machinery, tools and equipment you own or that are entrusted to you.

D. ADDITIONAL COVERAGE - COLLAPSE

We will pay for loss or damage caused by or resulting from risks or direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

1. The "Specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;
5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items, 3., 4., 5., and 6, Unless the loss or damage is a direct result of the collapse of a: building, outdoor radio or television antennas, including their lead-in wiring, masts or towers, awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences, piers, wharves and docks; beach or diving platforms or appurtenance; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, Bulging, expansion, or decomposition of building material, which is an integral part of the structure.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

1. **Property In Transit.** This Extension applies only to your personal property to which this form applies.
 - a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salesperson) in transit more than 1,000 feet from the described premises. Property must be in or a motor vehicle you own, leave or operate while between points in the coverage territory.
 - b. Loss or damage must be caused by or resulting from one of the following causes of loss;
 - 1) Fire, lightning, explosion, windstorm, or hail, riot or civil commotion, or vandalism.
 - 2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object, it does not mean your vehicle's contact with the road bed.
 - 3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
 - c. The most we will pay for loss or damage under this Extension is \$5,000. This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.
2. **Water Damage, Other Liquids, Power or Molten Material Damage.** If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

F. DEFINITIONS

"Specified Causes of Loss" means the following:

- fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing, equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty Spaces created by the action of water on Limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling, sinkhole; or
 - b. Sinking or collapse of land into man-made underground cavities.
 2. Falling objects does not include loss or damage to:
 - a. Personal property in the open; or
 - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the Building or structure is first damaged by a falling object.
 3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H--DEFINITIONS

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

- a. **Building**, meaning the building or structure described in the Declarations, including:
 - 1) Completed additions;
 - 2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery;
 - (c) Equipment; and
 - (d) Signs Attached to Buildings.
 - 3) Outdoor fixtures;
 - 4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dish washing or laundering;
 - 5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 1000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
- b. **Your Business Personal Property** located in or on the building described in the Declaration s or in the open (or in a vehicle) within 1000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property Separation of Coverage form:
 - 1) Furniture and fixtures;
 - 2) Machinery and equipment;
 - 3) "Stock";
 - 4) All other personal property owned by you and used in your business;
 - 5) Labor, materials or services furnished or arranged by you on personal property of others;
 - 6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions;
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;

7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. **Personal Property of Others** that is:

- 1) In your case, custody or control; and
- 2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - 1) The lowest basement floor; or
 - 2) The surface of the ground, If there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other 'insurance';
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Underground pipes, flues or drains;
- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - 1) Are licensed for use on public roads; or
 - 2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (b) Vehicles or self-propelled machines, other than autos, you hold for sale; or
 - (c) Rowboats or canoes out of water at the described premises;
- p. The following property while outside of buildings:
- 1) Grain, hay, straw or other crops;
 - 2) Fences, radio or television antennas, satellite dish, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the Coverage Extensions.

3. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- 1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- 2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this policy applicable to that loss or damage.But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.
- 3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- 1) While it is being moved or while temporarily stored at another location; and
- 2) Only if the loss or damage occurs within 10 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

- 1) Assumed by contract or agreement prior to loss; or
- 2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- 1) The date of direct physical loss or damage; or
- 2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. A \$1,000 deductible will apply to this Additional coverage.

e. Recharge of Fire Protection Equipment

We will pay expenses you incur to recharge your fire protection equipment, when you used your equipment or the equipment automatically discharges, to protect your covered property as a result of a covered cause of loss.

The most we will pay under this extension is \$5000. No deductible applies to this extension.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

- 1) You may extend the insurance that applies to Building to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000.

- 2) You may extend the insurance that applies to Your Business Personal property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- 3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 180 days expire after you acquire or begin to construct the property, or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Effects and Property of Others.

You may extend the insurance that applies to Your Business Personal Property to apply to:

- 1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- 2) Personal property of others in your care, custody or control.

Unless a higher limit is specified in the declarations the most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for account of the owner of the property.

c. Valuable Papers and Records-Cost of Research

You may extend the insurance that applies to Your Business personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist.

The most we will pay under this Extension is \$25,000 at each described premises.

d. Property Off-Premises

You may extend the insurance provided by this coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property in or on a vehicle. Coverage is provided for up to 90 days, but not past expiration date of the policy.

The most we will pay for loss or damage under this Extension is \$25,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, satellite dish signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- 1) Fire;
- 2) Lightning;
- 3) Explosion;
- 4) Riot or Civil Commotion; or
- 5) Aircraft.

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$250 for any one tree, shrub or plant.

f. Property in Transit

You may extend the insurance that applies to your Business Personal property to apply to property while in transit within the Continental United States, Alaska, Hawaii, Puerto Rico, or Canada, or between these places. This extension does not apply to property that is otherwise covered for transit, or to property of others that you are responsible for as a carrier for hire, as a shipper, or hauler. Nor does it apply to property once it is in the care of the United States Postal Service. The most we will pay under this extension is \$5000.

g. Accounts Receivable Coverage

You may extend the insurance that applies to your Business Personal property to apply to your accounts receivable records.

We will pay:

- 1) All amounts due from your customers that you are unable to collect.
- 2) Interest charges on any loans required to offset amounts you are unable to collect pending our payment of these amounts.
- 3) Reasonable collection expenses in excess of your normal collection expenses that are made necessary by the loss, and
- 4) Other reasonable expense that you incur to re-establish your records of account receivable.

The most we will pay under this extension is \$25,000 at each described premises.

h. Fine Arts Coverage

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts. Fine arts means antiques, paintings, statues, and objects of art of every nature and description. The most we will pay under this extension is \$25,000.

i. Computer equipment Coverage

You may extend the insurance that applies to your business personal Property to apply to "computer equipment", "media", "data" and "programs" which you own, lease, or rent from others, or for which you are legally responsible. We will pay the replacement cost to reproduce data or programs that are lost or accidentally erased, including documentation and source materials, if you actually replace or reproduce them.

The most we will pay under this extension is \$25,000 unless a higher limit for computer equipment, data and media is specifically shown in the declarations page, up to a maximum of \$250,000.

B. EXCLUSIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge, Recharge of Fire Protection Equipment, and Pollutant Clean Up and Removal Additional Coverages are in Addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
 - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

We will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraiser will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

You must see that the following are done in the event of loss or damage to Covered Property:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- f. Permit us to inspect the property and records proving the loss or damage. Also permit us to take samples of damaged property for inspection, testing and analysis.

- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
- h. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- i. Cooperate with us in the investigation or settlement of the claim.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - 1) Pay the value of lost or damaged property;
 - 2) Pay the cost of repairing or replacing the lost or damaged property;
 - 3) Take all or any part of the property at an agreed or appraised value; or
 - 4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may select to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn statement of loss, if:
 - 1) You have complied with all of the terms of this Coverage Part; and
 - 2)
 - (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before the loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - 1) Vandalism;
 - 2) Sprinkler leakage, unless you have protected the system against freezing;
 - 3) Building glass breakage;
 - 4) Water damage,
 - 5) Theft; or
 - 6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction are not considered vacant.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement. This provision does not apply to the following even when attached to the building:
 - 1) Awnings or floor coverings;
 - 2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - 3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing materials if required by law.
- e. Tenant's Improvements and Betterments at:
 - 1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - 2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - 3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - 1) Blank materials for reproducing the records; and
 - 2) Labor to transcribe or copy the records when there is a duplicate.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:
 - 1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - 2) Divide the Limit of Insurance of the property by the figure determined in step (1);
 - 3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and
 - 4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1: (Underinsurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000

The deductible is \$250
 The amount of loss is \$40,000
 Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step (2): $\$100,000$ divided by $\$200,000 = .50$
 Step (3): $\$40,000 \times .50 = \$20,000$
 Step (4): $\$20,000 - \$250 = 419,750$.
 We will pay no more than \$19,750.
 The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is \$250,000
 The coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$200,000
 The Deductible is \$250
 The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step (2): $\$200,000$ divided by $\$200,00 = 1.00$
 Step (3): $\$40,000 \times 1.00 = \$40,000$
 Step (4): $\$40,000 - \$250 = \$29,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies:

Example No. 3:

When:

The value of property is:
 Bldg. At Location No. 1 \$ 75,000
 Bldg. At Location No. 2 \$ 100,000
 Personal Property at Location No. 2 \$ 75,000
 \$ 250,000

The Coinsurance percentage for It is 90%
 The Limit of Insurance for Buildings and Personal
 Property at Location Nos. 1 and 2 is \$ 180,000

The Deductible is \$ 1,000
 The amount of loss is Bldg. at Location No. 2 \$ 30,000
 Personal Property at Location No. 2. \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)
 Step (2): $\$180,000$ divided by $\$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$
Step (4): $\$40,000 - \$1000 = \$39,000$
We will pay no more than \$39,000.
The remaining \$11,000 is not covered.

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - 1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - 2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
 - 3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of the Coverage Part:
 - 1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - 2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - 1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - 2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown in the declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay not more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Original Coverage shown in the Declarations is not extended the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- 1) On or after the effective date of this Optional Coverage; and
- 2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - 1) Property of others;
 - 2) Contents of residence;
 - 3) Manuscripts;
 - 4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and Bric-a-brac; or
 - 5) "Stock", unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss to damage.
- d. We will not pay on a replacement cost basis for any loss or damage;
 - 1) Until the lost or damaged property is actually repaired or replaced; and
 - 2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
 - 1) The Limit of Insurance applicable to the lost or damaged property;
 - 2) The cost to replace, on the same premises, the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purposes; or
 - 3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

H. DEFINITIONS

1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
3. **"Computer Equipment"** means data processing systems including keyboards, display screens, terminals, printers and related peripheral equipment used solely for data processing operations. This does not include such equipment held for sale, distribution or manufactured products in the course of your business.
4. **"Media"** means items such as magnetic tapes, disks, cards or paper products on which data is recorded.
5. **"Data"** means information, instructions, or programs material that is recorded on your media, including original source material used to enter data.
6. **"Programs"** means programs that are purchased or written specifically to be used with the computer system.

This endorsement, effective 12:01 A. M.

forms a part of Policy

No.

issued to

by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of a certified "act of terrorism" defined by Section 102. Definitions., of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

For purposes of this endorsement and in compliance with the Terrorism Risk Insurance Act of 2002, an "act of terrorism" shall mean:

(1) Act of Terrorism –

(A) Certification. – The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States --

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to --

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of --

(I) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission];

(II) the premises of a United States mission; and

(iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

(B) Limitation. -- No act shall be certified by the Secretary as an act of terrorism if --

(i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or

(ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

(C) Determinations Final. – Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.

(D) Nondelegation. – The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms and conditions of the policy are the same.

Authorized Representative or Countersignature
(where required by law)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY NOT COVERED EXCLUSION - CHANGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

For insurance provided under the Building and Personal Property Coverage Form, **Coverage A. 2.k. Property Not Covered** is hereby deleted and replaced by the following:

2. Property Not Covered:

Covered Property does not include:

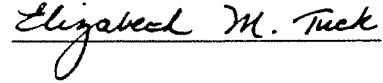
- k.** Property that is covered under another coverage form of this or any other policy in which such Property is more specifically described.

ADDENDUM TO THE COMMON POLICY DECLARATIONS

IN WITNESS WHEREOF, the Insurance Company identified on the Common Policy Declarations has caused this policy to be signed by its President, Secretary and a duly authorized representative of the Insurance Company.



Kristian P. Moor
PRESIDENT

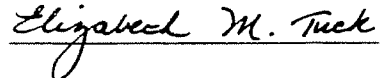


Elizabeth M. Tuck
SECRETARY

American International Pacific Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

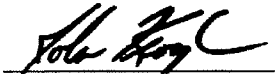


Susan M. Rivera
PRESIDENT

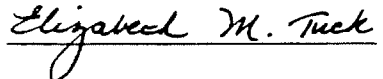


Elizabeth M. Tuck
SECRETARY

American Home Assurance Company



John W. Keogh
PRESIDENT

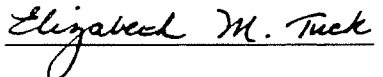


Elizabeth M. Tuck
SECRETARY

National Union Fire Insurance Company of Pittsburgh, Pa.



W. Gordon Knight
PRESIDENT

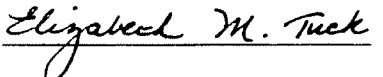


Elizabeth M. Tuck
SECRETARY

American International South Insurance Company



Darrell W. Alligood
PRESIDENT



Elizabeth M. Tuck
SECRETARY

National Union Fire Insurance Company of Louisiana

AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE DATE

COUNTERSIGNED AT

C

C

COMMERCIAL INSURANCE POLICY



**united
national
group®**

ADMINISTRATIVE OFFICES

THREE BALA PLAZA EAST, BALA CYNWYD, PA 19004
610-664-1500

EXCESS THIRD PARTY LIABILITY POLICY DECLARATIONS

☒ New ☐ Renewal of:

POLICY NUMBER: FCX0000533

1. NAMED INSURED:

Samson Auto Salvage (dba)

Adlen Brothers

2. ADDRESS: (Number & Street, Town & State)

8103 S. Alameda St.

Los Angeles

CA 90001



**united
national
group**

UNITED NATIONAL INSURANCE COMPANY

Administrative Offices:
3 Bala Plaza East, Suite 300
Bala Cynwyd, Pennsylvania 19004

PRODUCER'S NAME & ADDRESS:

First Capital Ins. Services
221 Main St.
Ste. 780

San Francisco

CA 94105

PRODUCER'S CODE: 01153

3. POLICY PERIOD: From: February 11, 2003 To: February 11, 2004
12:01 A.M. Standard Time at the address shown above.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE COVERAGE STATED IN THIS POLICY.**

4. LIMITS OF INSURANCE

EACH OCCURRENCE

\$ 2,000,000

POLICY AGGREGATE LIMIT

\$ 2,000,000

5. SCHEDULE OF UNDERLYING INSURANCE: See Schedule of Underlying Insurance

6. FORM OF BUSINESS

☐ INDIVIDUAL ☒ PARTNERSHIP ☐ JOINT VENTURE ☐ ORGANIZATION ☐ LIMITED
LIABILITY
COMPANY

Business Description AUTO SALVAGE

7. ADVANCE PREMIUM \$ 55,725.00

PREMIUM ADJUSTABLE RATE \$
ESTIMATED ANNUAL RATE \$
SUBJECT TO A MINIMUM ANNUAL PREMIUM OF \$ 55,725.00

8. FORMS AND ENDORSEMENTS ATTACHED TO THIS POLICY AT ITS INCEPTION:

SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100

COUNTERSIGNATURE

DATE

SCHEDULE OF POLICY FORMS AND ENDORSEMENTS

Form(s) and Endorsement(s) made a part of this policy at time of issue.

Form Number Edition Date Description

EXCESS THIRD PARTY LIABILITY

JPA100	0798 Rev. 7-01-01	POLICY JACKET
DXA100	0999	XTP LIABILITY DECLARATIONS
CXA100	0999	XTP LIABILITY POLICY
SXA100	0999	SCHEDULE OF UNDERLYING INS
EAA100	0798	IN WITNESS CLAUSE
EAA146	1201	TERRORISM EXCLUSION
EAA147	1201	WAR EXCLUSION
EPA303	0900	CARE CUSTODY & CONTROL EXCL
EXA102	0999	EXCLUSIONS
EXA103	0501	UN/UNDER MOTORISTS/NO FAULT
EXA104	0699	PUNITIVE DAMAGES EXCL
EXA108	0999	LEAD LIABILITY EXCL
EXA177	0999	PROFESSIONAL LIAB EXCL
EXA223	1200	UNIMPAIRED AGG LIMIT ENDT
EXA241	1200	MINIMUM EARNED PREMIUM
EXA242	1200	EXCL MILLENNIUM COMPUTER
EXA244	1200	AGG LIMITS OF LIAB AMEND ENDT
EXA255	0201	INDOOR AIR QUALITY EXCLUSION
EXA268	0401	CROSS SUITS EXCLUSION
SC7	0298	SERVICE OF SUIT - CA
**		END OF EXCESS LIABILITY FORMS

SCHEDULE OF UNDERLYING INSURANCE

INSURED: Samson Auto Salvage (dba)

EFFECTIVE ON AND AFTER 12:01 A. M. STANDARD TIME: February 11, 2003

THIS SCHEDULE FORMS PART OF POLICY NUMBER: FCX0000533

UNDERLYING INSURER, POLICY NUMBER, POLICY PERIOD	TYPE OF POLICY	LIMITS OF LIABILITY
COMPANY: State Fund POLICY NO.: tbd EXPIRATION DATE: November 1, 2003	Employers Liability	Coverage B - Employers Liability* \$ 1,000,000 Each Accident \$ 1,000,000 Disease Policy Limit \$ 1,000,000 Disease Each Employee *In any jurisdiction, state, or province where the amount of Employers Liability Insurance provided by the underlying insurers is by law "unlimited", the underlying Employers Liability limits shown here do not apply and no coverage is provided for Employers Liability under this policy.
COMPANY: Lexington POLICY NO.: tbd EXPIRATION DATE: February 11, 2004	Commercial General Liability <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made Retroactive Date: <input checked="" type="checkbox"/> Products-Completed Operations <input checked="" type="checkbox"/> Personal & Advertising Injury	\$ 1,000,000 Each Occurrence \$ 3,000,000 General Aggregate \$ 2,000,000 Products-Completed Operations Aggregate \$ 1,000,000 Personal & Advertising Injury
COMPANY: Granite State POLICY NO.: tbd EXPIRATION DATE: February 11, 2004	Automobile Liability <input checked="" type="checkbox"/> Owned Automobiles <input checked="" type="checkbox"/> Non-Owned Automobiles <input checked="" type="checkbox"/> Hired Automobiles	Bodily Injury Liability \$ Each Person \$ Each Occurrence Property Damage Liability \$ Each Occurrence -----OR----- Bodily Injury/Property Damage Liability - Combined Single Limit \$ 1,000,000 Each Occurrence
COMPANY: POLICY NO.: EXPIRATION DATE:		
COMPANY: POLICY NO.: EXPIRATION DATE:		

An ☒ indicates these coverages are provided in the underlying insurance.

UNITED NATIONAL INSURANCE COMPANY

A Stock Company

Administrative Offices: Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004

EXCESS THIRD PARTY LIABILITY POLICY

PLEASE READ THIS POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGES AND COVERAGE RESTRICTIONS. WE HAVE NO DUTY TO PROVIDE COVERAGE UNLESS THERE HAS BEEN FULL COMPLIANCE WITH ALL OF THE CONDITIONS SECTION OF THIS POLICY.

The words "you" and "your" in this policy refer to the named insured shown in the Declarations and all other persons or organizations qualifying as named insureds under this policy. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such in all "underlying insurance".

All words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS SECTION.

SECTION I - INSURING AGREEMENT

In consideration of the payment of premium and in reliance upon representations you made to us during the process of obtaining this insurance and subject to the Limits of Insurance shown in Item 4. of the Declarations, and all the exclusions, terms and conditions of this policy, we agree with you as follows:

A. COVERAGE

1. Insuring Agreement

We will pay those sums in excess of the applicable limits of "underlying insurance", that the insured becomes legally obligated to pay as damages because of an occurrence or offense or that event covered by all "underlying insurance". Except as specifically provided in this policy to the contrary, this insurance is subject to definitions, terms, conditions, exclusions and limitations contained in the first policy of "underlying insurance" except any definition, term or condition relating to:

- a. subrogation;
- b. other insurance;
- c. supplementary payments, medical payments and obligation to investigate or defend;
- d. amounts or limit of insurance; or
- e. cancellation or nonrenewal.

2. Exclusions

This insurance does not apply to:

- a. Injury or damage arising out of, resulting from caused or contributed to by:
 - (1) Asbestos or silica; or
 - (2) The cost of abatement, mitigation, removal or disposal of asbestos or silica.

This exclusion also applies to:

- (1) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (1) or (2) above; and
 - (2) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.
- b.
- (1) Injury or damage which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
 - (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of "pollutants";
 - (b) Claim or suit by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the affects of "pollutants".

"Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

c. Any liability:

- (1) With respect to which an insured under this policy is also any insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to payment from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- (3) Resulting from the "hazardous properties" of "nuclear material", if:
 - (a) The "nuclear material"
 - (i) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (ii) Has been discharged or dispersed therefrom;
 - (b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning,

construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (c) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

- (1) "Hazardous properties" include radioactive, toxic or explosive properties;
- (2) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (3) "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (4) "Spent fuel " means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (5) "Waste" means any waste material:
 - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and
 - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
- (6) "Nuclear facility" means:
 - (a) Any "nuclear reactor";
 - (b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of uranium or plutonium,
 - (ii) Processing or utilizing "spent fuel" or
 - (iii) Handling, processing or packaging "waste";
 - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage, or disposal of "waste";and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (7) "Nuclear reactor " means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (8) "Property damage" includes all forms of radioactive contamination of property.

- d. Liability assumed under any insured contract for bodily injury or property damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution, or acts of terrorism.

SECTION II - DEFENSE, SETTLEMENT AND SUPPLEMENTARY PAYMENTS

1. Subject to Section V.9. Maintenance of Underlying Insurance, below, if all of the Limits of Insurance available to the insured under the applicable policy of "underlying insurance" have been exhausted by payment of judgments or settlements because of occurrences, offenses or events covered by this insurance, any provisions contained in the first policy of "underlying insurance" for Supplementary Payments and our obligation to investigate or defend will apply to this insurance.
2. Our obligation to investigate or defend ends when we have paid the applicable Limit of Insurance under this policy for judgments or settlements.
3. We will not be obligated to investigate, settle or defend any claim made or suit brought for damages which are not covered or are specifically excluded by this insurance. We will, however, have the right to participate in the defense and trial of any claims, suits or proceedings which relate to any occurrence that we feel may create liability on our part under the terms of this policy.

SECTION III LIMITS OF LIABILITY

1. The Limits of Insurance shown in the Declarations and the rules below determine the most we will pay regardless of the number of:
 - a. insureds;
 - b. claims made or suits brought; or
 - c. persons or organizations making claims or bringing suits.
2. The Aggregate Limit is the most we will pay for all covered damages under this policy.
3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for all covered damages under this policy arising out of an occurrence, offense or event.
4. Subject to 2. above, this insurance is excess of an amount not less than the amount shown in the Schedule of Underlying Insurance for the "underlying insurance", except:
 - a. If the Limit of Insurance available to the insured under all of the "underlying insurance" has been reduced:
 - (1) solely by the payment of claims or suits to which this insurance applies; and
 - (2) subject to paragraph 9. Maintenance of Underlying Insurance (Section V.),this insurance will be excess over the reduced Limit of Insurance.
 - b. If the Limit of Insurance available to the insured under all of the "underlying insurance" has been exhausted:
 - (1) solely by the payment of claims or suits to which this insurance applies; and
 - (2) subject to paragraph 9. Maintenance of Underlying Insurance (Section V.),this insurance will provide coverage to the extent provided in the "underlying insurance."
5. Subject to 4. above, if the Limit of Insurance available to the insured under all "underlying insurance" is higher than the amount shown in the Schedule of Underlying Insurance, this insurance is excess of that higher amount.

SECTION IV DEFINITIONS

1. "Underlying insurance" means the insurance policies designated in Item 5. of the Declarations and any renewals or replacements of those policies.
2. "Underlying insurer" means any company issuing any policy of "underlying insurance".

SECTION V CONDITIONS

1. Appeals

In the event the insured or any "underlying insurer" elects not to appeal a judgment for damages covered by this policy and which exceeds the amount of "underlying insurance" or other applicable insurance, we may elect to do so. We will be liable, in addition to the Limit of Insurance, for all costs and expenses incurred and interest not covered by "underlying insurance" on judgments incidental to such an appeal and for all such costs, expenses and interest on appeals in connection with our right and duty to defend the insured under this policy.

2. Bankruptcy

- a. Bankruptcy, insolvency, or receivership of the insured, the insured's estate or of any "underlying insurer" will not relieve us of our obligations under this policy.
- b. With regard to bankruptcy, insolvency, or receivership of any "underlying insurer", this policy will not apply as a replacement of such bankrupt or insolvent insurer's policy and our Limits of Insurance will apply only in excess of the required Limit(s) of Insurance stated in Item 4 of the Declarations.
- c. This insurance will not apply to any obligation of any insured to pay any self-insured retention or coinsurance portion of any "underlying insurance", whether or not such obligation becomes invalid, suspended, unenforceable or uncollectible for any reason including bankruptcy or insolvency of any person or organization.

3. Cancellation

- a. The first named insured shown in the Declarations may cancel this policy by delivering it to us or any of our authorized agents or by sending us written notice stating when the future cancellation will take effect. Cancellation will become effective the date of delivery of the policy to us or upon such future date requested by the first named insured.
- b. We may cancel this policy by mailing or delivering to the first named insured written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if we cancel because of nonpayment of premium whether payable directly to us or payable to our agents or others under any installment payment plan, premium finance plan, extension of credit or other payment plan; or
 - (2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first named insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first named insured any premium refund due. If we cancel, the refund will be pro rata. If the first named insured cancels the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered any refund of unearned premium.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first named insured shown in the Declarations is authorized to make changes in the terms of this policy upon our giving written consent. This policy's terms can be amended or waived only by endorsement to this policy issued by us.

5. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are, or our authorized representative is, notified as soon as practicable of an occurrence, offense or event which may result in a claim. An insured must notify us or one of our authorized agents promptly of an occurrence, offense or event which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the occurrence, offense or event took place;
 - (2) The insureds name and address;
 - (3) The names and addresses of any injured persons or witnesses; and
 - (4) The nature and location of any alleged injury or damage arising out of the occurrence, offense or event.
- b. If a claim is made or suit is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or suit and the date received; and
 - (2) Notify us in writing as soon as practicable.
- c. You and any other insured involved in such claim or suit must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation and settlement of the claim or defense against the suit; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insureds own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- e. No insured will in any way jeopardize our rights after an occurrence or offense.

6. Examination of your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period set forth in Item 3. of the Declarations and up to three years afterward.

7. Inspection and Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and

- c. Recommend changes to such conditions.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We also do not warrant that conditions

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

8. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a suit asking for damages from an insured; or
- b. To sue us under this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

9. Maintenance of Underlying Insurance

- a. The "underlying insurance" or replacements or renewals thereof not more restrictive in coverage, with Limits of Insurance not less than those shown in the Schedule of Underlying Insurance:
 - (1) must be in effect at the inception of this insurance; and
 - (2) must be maintained in effect during the policy period of this insurance.
- b. Failure of the insured to comply with
 - (1) paragraph a.(1) will invalidate this insurance;
 - (2) paragraph a.(2) above will not invalidate this insurance, but in the event of such failure, this insurance will apply in the same manner as though the "underlying insurance" had been maintained in accordance with this condition.

10. Other Insurance

If there is any:

- a. other insurance; or
- b. insurance available to the insured on an extended reporting period basis under either primary insurance or other insurance; or
- c. insurance available to the insured on a retroactive basis under either primary insurance or other insurance;

this insurance will apply as excess of and not contributing with such insurance.

11. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first named insured, subject to any Minimum Premium shown in the policy.
- c. The first named insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

12. Premiums

The first named insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

13. Representations

By accepting this policy, you agree that:

- a. The information shown on the Declarations is accurate and complete;
- b. The information is based upon representations you made to us in your application(s) for this policy;
- c. We have issued this policy in reliance upon your representations; and
- d. Except as otherwise provided in this policy or by law, this policy is void in any case of fraud or if you intentionally conceal or misrepresent any material facts concerning this policy, in your application for this policy or otherwise.

14. Separation of Insureds

Except with respect to the Limits of Insurance, any rights or duties specifically assigned to the first named insured, this insurance applies:

- a. As if each named insured were the only named insured; and
- b. Separately to each insured against whom claim is made or suit is brought.

15. Sole Agent

The named insured first shown in Item 1. of the Declarations is authorized to act on behalf of all insureds with respect to giving or receiving notice of cancellation or nonrenewal, receiving refunds, and agreeing to any changes in this policy.

16. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

Any recoveries will be applied first to reimburse any interests (including the insured) that may have paid any amounts in excess of our liability under this policy; then to reimburse us for any payment hereunder; and lastly to

reimburse such interests (including the insured) as to which this policy is excess, as are entitled to the residue, if any.

When we assist in pursuit of the insured's rights of recovery, reasonable expenses resulting therefrom will be apportioned among all interests in the ratio of their respective recoveries.

If there should be no recovery as a result of proceedings instituted solely at our request, we will bear all expenses of such proceedings.

17. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

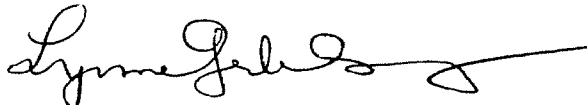
If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

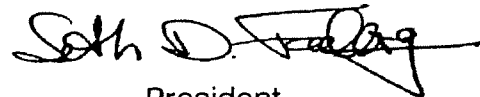
18. When Loss Payable

Our liability for any portion of damages will not apply until the insured or any "underlying insurer" is obligated to actually pay the full and complete amount of the "underlying insurance". When damages have been finally determined, the insured may make claim for payment under this policy as soon as practicable thereafter. Such insured's obligations to pay any amount of damages must have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant or the claimant's legal representative and us.

In Witness Clause

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.


Secretary


President

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

ALL PARTS OF THE POLICY

Notwithstanding any other provision of this policy to the contrary, this insurance does not apply to any loss, cost, expense, damage, injury or economic detriment, whether arising by contract, operation of law or otherwise whether or not concurrent or in any sequence with any other cause or event, that in any way, form or manner, directly or indirectly, arises out of, results from or is caused by "terrorism", and also including any action taken in hindering or defending against "terrorism".

"Terrorism" means any act of force or violence or other illegal means, whether actual, alleged or threatened, by any person, persons, group, private or governmental entity or entities, or any other type of organization of any nature whatsoever, whether the identity of which is known or unknown, that appears to be for political, religious, racial, ethnic, ideological, ecological or social purposes, objectives or motives and that causes or appears to be intended to cause:

1. alarm, fright, fear of danger, concern or apprehensions for public safety;
2. the interference or disruption of an electronic, communication, information or mechanical system;
3. the intimidation or coercion of the civilian population, or any governmental body;
or
4. the alteration of the policies, foreign or domestic of any governmental body,

This exclusion does not affect the applicability of, and is in addition to, any exclusion of war, warlike or military action, whether or not specifically denominated as such.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGES OF THE POLICY

Any exclusion for war, warlike or military action whether or not specifically denominated as such, is deleted and replaced by the following:

Notwithstanding any provision of this policy to the contrary, this insurance does not apply to any injury, damage, loss, cost or expense, due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution or action taken by governmental authority or hindering or defending against any of these.

This exclusion does not affect the applicability of, and is in addition to, any exclusion of terrorism, whether or not specifically denominated as such.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CARE CUSTODY AND CONTROL EXCLUSION

This insurance does not apply to property:

1. owned or occupied by or rented to the insured;
2. used by the insured; or
3. in the care, custody or control of the insured or as to which the insured is for any purpose exercising control.

ENDORSEMENT

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSIONS

This insurance does not apply to:

1. Liability imposed on the insured or the insured's insurer, under Employees' Retirement Income Security Act of 1974 (E.R.I.S.A.) as now or hereafter amended, or any similar state or other government law.
2. Liability imposed on the insured or the insured's insurer, under any workers' compensation, unemployment compensation or disability benefits law or any similar law.
3. The insured's liability (other than under an insured contract) for bodily injury to:
 - a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing duties related to the conduct of the insured's business; or
 - b. spouse, child, parent, brother or sister of that "employee" as a consequence of (a) above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of such injury.

"Employee" includes a leased worker. "Employee" does not include a temporary worker.

"Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal short term workload conditions.

Any damages arising out of

- a. Any:
 - (1) Refusal to employ that person;

- (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. Any liability to the spouse, child, parent, brother or sister of that person as a consequence of injury or damage to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

ENDORSEMENT

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNINSURED AND UNDERINSURED MOTORISTS AND NO FAULT EXCLUSION

This insurance does not apply to liability imposed on the insured or the insured's insurer under any uninsured motorists, underinsured motorists or automobile no-fault or first party bodily injury or property damage law.

ENDORSEMENT

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUNITIVE DAMAGES EXCLUSION

This insurance does not apply to punitive damages, exemplary damages, fines, penalties, treble damages, or any other increase in damages resulting from the multiplication of compensatory damages.

ENDORSEMENT

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION - LEAD LIABILITY

This insurance does not apply to:

1. Any injury or damage arising out of, resulting from, caused by or contributed to by lead or exposure to lead or lead paint; or
2. The cost of abatement, mitigation, removal or disposal of lead paint or any lead-containing product or material;

This exclusion also applies to:

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given with regard to the above; and
- b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

ENDORSEMENT

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

PROFESSIONAL LIABILITY EXCLUSION

This insurance does not apply to injury or damage arising out of the rendering of or failure to render services of a professional nature in the conduct of your business, including clerical functions associated with such services, by you or by any person for whose acts or omissions any insured is legally responsible.

A handwritten signature in black ink, reading "Andrew Miller", is positioned above a horizontal line.

Authorized Representative

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**UNIMPAIRED AGGREGATE LIMITS ENDORSEMENT
(NON-CONCURRENCY)**

The aggregate limits of "underlying insurance", where applicable, as shown in the Declarations, must be unimpaired at the effective date of this policy. Only occurrences, offenses or events taking place during the term o f this policy will be considered in determining the extent of any exhaustion of the aggregate limits of the "underlying insurance".

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This policy is subject to a minimum earned premium.

If this policy is canceled at your request, you agree with us:

1. That the minimum earned premium for this policy is the greater of \$1,500 or 25% of Advance Premium;
2. That such minimum earned premium is not subject to short rate or pro-rate adjustment; and
3. That cancellation for non-payment of premium, after the effective date of the policy, will be deemed a request by you for cancellation of this policy and will activate this minimum earned premium provision.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - MILLENNIUM COMPUTER-RELATED AND
OTHER ELECTRONIC PROBLEMS**

This insurance does not apply to injury or damage arising directly or indirectly out of:

1. Any actual or alleged failure, malfunction or inadequacy of:
 - a. Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including microprocessors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer network;
 - (5) Microprocessors (computer chips) not part of any computer system;
or
 - (6) Any other computerized or electronic equipment or components; or
 - (7) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1.a. of this endorsement.

due to the inability to correctly recognize, process, distinguish, interpret or accept any date in the years 1999, 2000 or beyond.

This exclusion applies to an obligation of an insured to indemnify someone else, by reason of the assumption of liability in any contract or agreement, including an "insured contract".

For the purposes of this endorsement, "insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume that tort liability of another party to pay for bodily injury or property damage to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGGREGATE LIMITS OF LIABILITY - AMENDATORY ENDORSEMENT

The following is added to SECTION III - Limits of Liability:

If the "underlying insurance" provides coverage(s) which are subject to an Aggregate Limit of Liability, our liability under this insurance will be limited to the amount stated in the Declarations as the Policy Aggregate Limit for those sums in excess of the applicable limits of "underlying insurance" to which this insurance applies arising out of one or more occurrences, offenses or events, during each annual period while this policy is in force, commencing from its effective date. The Aggregate Limit of insurance hereunder applies separately to each coverage for which the "underlying insurance" provides an Aggregate Limit.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDOOR AIR QUALITY EXCLUSION

This insurance does not apply to:

1. Injury or damage arising out of, resulting from, caused or contributed to by mold, mildew and/or other conditions affecting indoor air quality.
2. The cost of abatement, mitigation, removal or disposal of mold, mildew and/or other conditions affecting indoor air quality.

This exclusion also includes:

- a. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on February 11, 2003 at 12:01 A.M. standard time, forms a part of

Policy No.: FCX0000533

Issued To: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CROSS SUITS EXCLUSION

This insurance does not apply to injury or damage sustained by any insured arising out of the activities of any other insured under this policy.

A handwritten signature in cursive script, reading "Andrew Miller", positioned above a horizontal line.

Authorized Representative

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective February 11, 2003 at 12:01 a.m. standard time, forms a part of

Policy #: FCX0000533

Issued to: Samson Auto Salvage (dba)

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**SERVICE OF SUIT CLAUSE
CALIFORNIA**

This endorsement modifies insurance provided under the following:
ALL COVERAGE PARTS IN THIS POLICY

We hereby appoint Jere Keprios, c/o C.T. Corporation System, 818 West 7th Street, Los Angeles, California, 90017, as our true and lawful attorney in and for the State of California, upon whom all lawful process may be served in any action, "suit" or proceeding instituted in California by or on behalf of any insured or beneficiary against us arising out of this insurance policy, provided a copy of any process, "suit", complaint or summons is sent by certified or registered mail to _____, Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.



Countersignature

DISCOVER PROPERTY & CASUALTY**COMMON POLICY DECLARATIONS**

Policy Number
DRE5467301
Company Code
072PKPFG
Renewal of:
DRE0170700

DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

(A Member of the St. Paul Companies)

A STOCK INSURANCE COMPANY Home Office: Chicago, Illinois

Principle Administration Offices: St. Paul, Minnesota

Item 1. Named Insured and Mailing Address

AADLEN BROTHERS AUTO WRECKING,
(SEE NAMED INSURED ENDT)
8103 S ALAMEDA STREET
LOS ANGELES CA 90001

Agent Name and Address

RED HAWK INSURANCE SERVICES, INC
2160 FLETCHER PARKWAY, SUITE A
EL CAJON CA 920202115

Agent No. 0000001

Item 2. Policy Period

From: 02-11-01

To: 02-11-02

at 12:01 A.M., Standard Time at your mailing address shown above.

Item 3. Business Description: TOW TRUCK OPERATOR

Form of Business: PARTNERSHIP

Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Commercial Property Coverage Part	NOT COVERED
Commercial General Liability Coverage Part	NOT COVERED
Commercial Crime Coverage Part	NOT COVERED
Commercial Inland Marine Coverage Part	NOT COVERED
Commercial Auto (Business or Truckers) Coverage Part	NOT COVERED
Commercial Garage Coverage Part	105,506.00

Total Policy Premium

\$ 105,506.00

Item 5. Forms and Endorsements

Forms(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Countersigned:

Date:

MAR 21 2001

By:

Florida K. Misen

Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

UC 10 10 01 00

Policy Number
DRE5467301

SCHEDULE OF FORMS AND ENDORSEMENTS
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,

Effective Date: 02-11-01

12:01 A.M., Standard Time

Agent Name RED HAWK INSURANCE SERVICES, INC.

Agent No. 0000001

COMMON POLICY FORMS AND ENDORSEMENTS

UC 10 09	01-00	POLICY JACKET
UC 10 11	01-00	EXECUTION FORM
UC 10 10	01-00	COMMON POLICY DECLARATIONS
UC 80 00	01-00	SCHEDULE OF FORMS AND ENDORSEMENTS
UC 50 04	01-99	SCHEDULE OF LOCATIONS
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	04-98	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 02 70	03-00	CA CHANGES - CANCELLATION & NONRENEWAL

AUTOMOBILE FORMS AND ENDORSEMENTS

UA 10 09	01-00	GARAGE COVERAGE PART DECLARATIONS
UA 10 11(A)	01-00	NON - DEALERS SCHEDULED ITEMS 3, 4, 5, 6
UA 10 11(B)	01-00	NON - DEALERS SCHEDULED ITEMS 6, 7, 8
UA 10 11(C)	01-00	NON - DEALERS SCHEDULED ITEM 9
UA 10 06	01-00	SCHEDULE OF COVERED AUTOS YOU OWN
CA 00 05	07-97	GARAGE COVERAGE FORM
CA 00 22	02-99	CHANGES IN COMM. AUTO COVERAGE FORMS
CA 01 43	02-97	CALIFORNIA CHANGES
CA 21 54	07-00	CA UM COVERAGE - BODILY INJURY
CA 03 02	12-93	DEDUCTIBLE LIABILITY COVERAGE
CA 25 05	07-97	GARAGE LOCS AND OPS - MED PAY
CA 99 03	07-97	AUTO MEDICAL PAYMENTS COVERAGE
UA 30 16	07-97	EXCLUSION - PUNITIVE/EXEMPLARY DAMAGES

Policy Number

DRE5467301

SCHEDULE OF NAMED INSURED(S)

DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,

Effective Date: 02-11-01

12:01 A.M., Standard Time

Agent Name RED HAWK INSURANCE SERVICES, INC.

Agent No. 0000001

UC 10 10 (cont.)

THE NAMED INSURED ON FORM UC 10 10 IS AMENDED TO READ:

AADLEN BROTHERS AUTO WRECKING,
U-PICK PARTS AUTO WRECKING, A
FOREIGN U-PICK U-PULL
WRECKING, CALIFORNIA CAR
HIKERS, BROTHERS AUTO SALE,
BROTHERS AUTO WRECKING,
AMERICAN TRUCK SALVAGE LOT,
UNIVERSAL AUTO WRECKING,
ADLEN GOURP ENTERPRISES
ADLEN FAMILY LIMITED
PARTNERSHIP, SAMSON AUTO
SALVAGE DBA:

Policy Number
DRE5467301

SCHEDULE OF LOCATIONS
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,

Effective Date: 02-11-01
12:01 A.M., Standard Time

Agent Name RED HAWK INSURANCE SERVICES, INC.

Agent No. 0000001

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	8033 S ALAMEDA STREET, LOS ANGELES, CA 90001-0000	TOW TRUCK OPS
002	001	8103 S ALAMEDA STREET, LOS ANGELES, CA 90001-4107	TOW TRUCK OPS
003	001	8119 S ALAMEDA STREET, LOS ANGELES, CA 90001-4107	TOW TRUCK OPS
004	001	8123 S ALAMEDA STREET, LOS ANGELES, CA 90001-4107	TOW TRUCK OPS
005	001	11590 TUXFORD STREET, SUN VALLEY, CA 91352-3112	TOW TRUCK OPS
006	001	11409 PENROSE STRET, SUN VALLEY, CA 91352-3922	TOW TRUCK OPS
007	001	8520 TELFAIR AVENUE, SUN VALLEY, CA 91352-3927	TOW TRUCK OPS
008	001	8205 S ALAMEDA STREET, LOS ANGELES, CA 90001-4107	TOW TRUCK OPS
009	001	8111-8207 CROESUS AVENUE, LOS ANGELES, CA 90001-4117	TOW TRUCK OPS

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the oper-

ation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "Special nuclear material" or "by-product material".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the **Cancellation** Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Businessowners Policy

Commercial Property Coverage Part

Farm Coverage Part - Farm Property - Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below:

b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (**d.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Businessowners Policy - Businessowners Special Property Coverage Form;

(2) Commercial Property Coverage Part - Causes Of Loss - Special Form; or

(3) Farm Coverage Part - Causes Of Loss Form - Farm Property, Paragraph D. Covered Causes Of Loss - Special.

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the time frames shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

GARAGE COVERAGE PART DECLARATIONS
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

ITEM ONE

 Named Insured **AADLEN BROTHERS AUTO WRECKING,**
 Agent Name **RED HAWK INSURANCE SERVICES, INC.**

 Effective Date: **02-11-01**
 12:01 A.M., Standard Time
 Agent No. **0000001**
Item Two - SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Garage Coverage Form next to the name of the coverage. Entry of a symbol next to LIABILITY provides coverage for "garage operations."

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTO Section of the Garage Coverage Form shows which autos are covered autos)	LIMIT "GARAGE OPERATIONS"			PREMIUM
		EACH "ACCIDENT"		AGGREGATE	
		"AUTO" ONLY	OTHER THAN "AUTO" ONLY	OTHER THAN "AUTO" ONLY	
LIABILITY	27, 28, 29	\$ 1,000,000	\$ 1,000,000	\$ 3,000,000	\$ 94,783.00
PERSONAL INJURY PROTECTION (P.I.P.) † †		SEPARATELY STATED IN EACH PIP ENDORSEMENT MINUS DEDUCTIBLE			\$
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault Coverage)		SEPARATELY STATED IN EACH ADDED PIP ENDORSEMENT			\$
PROPERTY PROTECTION INSURANCE (Michigan only)		SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS DEDUCTIBLE FOR EACH ACCIDENT			\$
MEDICAL PAYMENTS	27, 28	\$ 1,000			\$ 2,864.00
UNINSURED MOTORISTS	27	\$ 60,000			\$ 4,249.00
UNDERINSURED MOTORISTS (When not included in Uninsured)	27	\$ 60,000			\$ INCL
GARAGEKEEPERS COMPREHENSIVE	30	GARAGEKEEPERS LIMITS AND DEDUCTIBLES ARE DISPLAYED ON: UA 10 10 (A) UA 10 11 (A)			\$ 761.00
GARAGEKEEPERS SPECIFIED CAUSES OF LOSS					\$
GARAGEKEEPERS COLLISION	30				\$ 670.00
PHYSICAL DAMAGE COMPREHENSIVE	27	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS	\$ SEE SCHEDULE DEDUCTIBLE FOR EACH COVERED AUTO. NO DED. APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$ 443.00
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS			\$25 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$
PHYSICAL DAMAGE COLLISION	27		\$ SEE SCHEDULE DEDUCTIBLE FOR EACH COVERED AUTO.		\$ 1,736.00
PHYSICAL DAMAGE TOWING AND LABOR		\$50 OR EACH DISABLEMENT OF A PRIVATE PASSENGER "AUTO"			\$
† See Supplementary Schedule for dealers "autos" and "autos" held for sale by trailer dealers and non-dealers					
		PREMIUM FOR ENDORSEMENTS			\$
				ESTIMATED TOTAL	\$ 105,506.00

FORMS AND ENDORSEMENTS (applying to this Coverage Part at time of issue) †

See Schedule of Forms and Endorsements

THIS DECLARATION IS NOT COMPLETE UNTIL EITHER DEALERS SCHEDULE OR NON-DEALERS SCHEDULE IS ATTACHED

† Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

† † (or equivalent No-Fault Coverage)

GARAGE COVERAGE PART DECLARATION 3

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Three - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS

LOC.	CLASS/DESCRIPTION/ADDRESS (State main location as Location No. 1)
001/001	8033 S ALAMEDA STREET LOS ANGELES LOS ANGELES CA 90001-0000
002/001	8103 S ALAMEDA STREET LOS ANGELES LOS ANGELES CA 90001-4107

Item Four - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NON OWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

LOC.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
001/001	5200	11.711	\$ 1,171.00
002/001	5200	11.711	\$ 1,171.00
			TOTAL PREMIUM \$

Item Five - GARAGEKEEPERS COVERAGES AND PREMIUMS

LOC.	COVERAGES	LIMIT AND DEDUCTIBLE FOR EACH LOCATION
001/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
002/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
PREMIUM FOR ALL LOCATIONS		COMPREHENSIVE \$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "X".

DIRECT COVERAGE OPTIONS

- _____ EXCESS INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- _____ PRIMARY INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

Item Six - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE FOR EACH \$100 COST OF HIRE	FACTOR (If liab. cov. is primary)	PREMIUM
				TOTAL PREMIUM \$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members. Cost of hire does not include charges for services performed by motor carriers of property or passengers.

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Three - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS

LOC.	CLASS/DESCRIPTION/ADDRESS (State main location as Location No. 1)
003/001	8119 S ALAMEDA STREET LOS ANGELES LOS ANGELES CA 90001-4107
004/001	8123 S ALAMEDA STREET LOS ANGELES LOS ANGELES CA 90001-4107

Item Four - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NON OWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

LOC.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
003/001	5200	11.711	\$ 1,171.00
004/001	5200	11.711	\$ 1,171.00
TOTAL PREMIUM \$			

Item Five - GARAGEKEEPERS COVERAGES AND PREMIUMS

LOC.	COVERAGES	LIMIT AND DEDUCTIBLE FOR EACH LOCATION
003/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
004/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
PREMIUM FOR ALL LOCATIONS		COMPREHENSIVE \$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "X".

DIRECT COVERAGE OPTIONS

_____ EXCESS INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.

_____ PRIMARY INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

SPECIFIED CAUSES OF LOSS \$

COLLISION \$

Item Six - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE FOR EACH \$100 COST OF HIRE	FACTOR (If liab. cov. is primary)	PREMIUM
TOTAL PREMIUM \$				

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members. Cost of hire does not include charges for services performed by motor carriers of property or passengers.

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Three - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS

LOC.	CLASS/DESCRIPTION/ADDRESS (State main location as Location No. 1)
005/001	11590 TUXFORD STREET SUN VALLEY LOS ANGELES CA 91352-3112
006/001	11409 PENROSE STRET SUN VALLEY LOS ANGELES CA 91352-3922

Item Four - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NON OWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

LOC.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
005/001	5200	10.35	\$ 1,035.00
006/001	5200	10.35	\$ 1,035.00
			TOTAL PREMIUM \$

Item Five - GARAGEKEEPERS COVERAGES AND PREMIUMS

LOC.	COVERAGES	LIMIT AND DEDUCTIBLE FOR EACH LOCATION
005/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
006/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
PREMIUM FOR ALL LOCATIONS		COMPREHENSIVE \$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "X".

DIRECT COVERAGE OPTIONS

- _____ EXCESS INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- _____ PRIMARY INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

Item Six - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE FOR EACH \$100 COST OF HIRE	FACTOR (If liab. cov. is primary)	PREMIUM
				TOTAL PREMIUM \$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members. Cost of hire does not include charges for services performed by motor carriers of property or passengers.

GARAGE COVERAGE PART DECLARATIONS

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Three - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS

LOC.	CLASS/DESCRIPTION/ADDRESS (State main location as Location No. 1)
007/001	8520 TELFAIR AVENUE SUN VALLEY LOS ANGELES CA 91352-3927
008/001	8205 S ALAMEDA STREET LOS ANGELES LOS ANGELES CA 90001-4107

Item Four - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NON OWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

LOC.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
007/001	5200	10.35	\$ 1,035.00
008/001	5200	11.711	\$ 1,171.00
			TOTAL PREMIUM \$

Item Five - GARAGEKEEPERS COVERAGES AND PREMIUMS

LOC.	COVERAGES	LIMIT AND DEDUCTIBLE FOR EACH LOCATION
007/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO
008/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO

PREMIUM FOR ALL LOCATIONS

COMPREHENSIVE \$

SPECIFIED CAUSES OF LOSS \$

COLLISION \$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "X".

DIRECT COVERAGE OPTIONS

- _____ EXCESS INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- _____ PRIMARY INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

Item Six - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE FOR EACH \$100 COST OF HIRE	FACTOR (If liab. cov. is primary)	PREMIUM
				TOTAL PREMIUM \$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members. Cost of hire does not include charges for services performed by motor carriers of property or passengers.

GARAGE COVERAGE PART DECLARATION

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Three - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS

LOC.	CLASS/DESCRIPTION/ADDRESS (State main location as Location No. 1)
009/001	8111-8207 CROESUS AVENUE LOS ANGELES LOS ANGELES CA 90001-4117

Item Four - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NON OWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

LOC.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
009/001	5200	11.711	\$ 1,171.00
TOTAL PREMIUM \$			10,131.00

Item Five - GARAGEKEEPERS COVERAGES AND PREMIUMS

LOC.	COVERAGES	LIMIT AND DEDUCTIBLE FOR EACH LOCATION	
009/001	COMPREHENSIVE	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY	
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ 2500 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	
	COLLISION	\$ 60,000 MINUS \$ 500 DED. FOR EACH COVERED AUTO	
	COMPREHENSIVE	\$ MINUS \$ DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY	
	SPECIFIED CAUSES OF LOSS	THEFT OR MISCHIEF OR VANDALISM SUBJECT TO \$ MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	
	COLLISION	\$ MINUS \$ DED. FOR EACH COVERED AUTO	
PREMIUM FOR ALL LOCATIONS		COMPREHENSIVE \$	761.00
		SPECIFIED CAUSES OF LOSS \$	
		COLLISION \$	670.00

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "X".

DIRECT COVERAGE OPTIONS

_____ EXCESS INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.

_____ PRIMARY INSURANCE. If this option is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

Item Six - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE FOR EACH \$100 COST OF HIRE	FACTOR (If liab. cov. is primary)	PREMIUM
CA	IF ANY	1.02		\$ 24.00
TOTAL PREMIUM \$				24.00

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members. Cost of hire does not include charges for services performed by motor carriers of property or passengers.

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Six (Continued) - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

PHYSICAL DAMAGE COVERAGE

COVERAGES	LIMIT OF INSURANCE, THE MOST WE WILL PAY, DEDUCTIBLE		RATE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE	\$ WHICHEVER IS LESS, MINUS \$ DED. FOR EACH COVERED AUTO. BUT NO DED. APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.		
SPECIFIED CAUSES OF LOSS	COST OF REPAIRS	\$ WHICHEVER IS LESS, MINUS \$25 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.		
COLLISION	OR:	\$ WHICHEVER IS LESS, MINUS \$ DED. FOR EACH COVERED AUTO.		

TOTAL PREMIUM \$

PHYSICAL DAMAGE COVERAGE for covered autos you hire or borrow is excess unless indicated below by "X".

_____ If checked, PHYSICAL DAMAGE COVERAGE applies on a direct primary basis and for purposes of the condition entitled OTHER INSURANCE, any covered "auto" you hire or borrow is deemed to be a covered "auto" you own.

Item Seven - SCHEDULE OF COVERED AUTOS YOU OWN

SEE SCHEDULE ATTACHED

Item Eight - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NON OWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN

COVERAGE CA	PREMIUM DETERMINATION	PREMIUM
Auto Medical Payments Only	Auto Medical Payments Premium equals % of the Liability Premium	
Premises and Operations Medical Payments (Does not apply to bodily injury caused by an auto)	Premises and Operations Medical Payments Premium equal % of the Liability Premium	
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals 3.0 % of the Liability Premium	174

GARAGE COVERAGE PART DECLARATION S

NON-DEALERS AND TRAILERS DEALERS SCHEDULE

Item Nine - PHYSICAL DAMAGE COVERAGE - AUTOS HELD FOR SALE - TYPES OF COVERED AUTOS AND INTEREST IN THESE AUTOS - PREMIUMS - REPORTING OR NON-REPORTING BASIS

THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THE GARAGE COVERAGE FORM RELATING TO DEALERS APPLY TO THOSE AUTOS HELD FOR SALE BY NON-DEALERS AND TRAILER DEALERS. EACH OF THE FOLLOWING PHYSICAL DAMAGE COVERAGES THAT IS INDICATED IN ITEM TWO APPLIES ONLY TO THE TYPES OF "AUTOS" AND INTERESTS INDICATED BELOW BY "X".

COVERAGES	TYPES OF "AUTOS"		INTEREST COVERED			
	NEW "AUTOS"	USED "AUTOS" DEMONSTRATORS AND SERVICE VEHICLES	YOUR INTEREST IN COVERED "AUTOS" YOU OWN	YOUR INTEREST ONLY IN FINANCED COVERED "AUTOS"	YOUR INTEREST AND THE INTEREST OF ANY CREDITOR NAMED AS A LOSS PAYEE	ALL INTEREST IN "AUTO" NOT OWNED BY YOU OR ANY CREDITOR WHILE IN YOUR POSSESSION OR ON CONSIGNMENT FOR SALE
Comprehensive						
Specified Causes of Loss						
Collision						

LOC.	COVERAGES	LIMIT OF INSURANCE FOR EACH LOCATION			RATES	PREMIUM
	COMPREHENSIVE	\$ MINUS \$ DED. FOR EACH COVERED AUTO				
	SPECIFIED CAUSES OF LOSS	FOR LOSS CAUSED BY THEFT OR MISCHIEF, OR VANDALISM SUBJECT TO \$ MAXIMUM DED. FOR ALL SUCH LOSS IN ANY ONE EVENT				
	COMPREHENSIVE	\$ MINUS \$ DED. FOR EACH COVERED AUTO				
	SPECIFIED CAUSES OF LOSS	FOR LOSS CAUSED BY THEFT OR MISCHIEF, OR VANDALISM SUBJECT TO \$ MAXIMUM DED. FOR ALL SUCH LOSS IN ANY ONE EVENT				
ALL	COLLISION	\$ MINUS \$ DED. FOR EACH COVERED AUTO			ADJUST- MENT FACTOR	
		BLANKET ANNUAL COLLISION RATES				
		FIRST \$50,000	\$50,001 to 100,000	Over \$100,000		

Our limit of insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos"

\$ In transit

TOTAL PREMIUM \$

PREMIUM BASIS - Reporting (Quarterly or Monthly) or Nonreporting (Indicate Basis Agreed Upon by "X.")

_____ **REPORTING BASIS** (Quarterly or Monthly)

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "autos" you have furnished or made available to yourself, your executives, your employees or family members and other non-employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS:

QUARTERLY _____ You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

MONTHLY _____ You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

_____ **X** _____ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

LOC.	LOSS PAYEE - ANY LOSS IS PAYABLE AS INTEREST MAY APPEAR TO YOU AND:
	See Schedule of Loss Payees

AUTO SCHEDULE
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

 Named Insured **AADLEN BROTHERS AUTO WRECKING,**
 Agent Name **RED HAWK INSURANCE SERVICES, INC.**

 Effective Date: **02-11-01**
 12:01 A.M., Standard Time
 Agent No. **0000001**

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Business use Radius \ s = service or \ r = retail Ops. \ c = comm	Size GVW GCW or Vehicle Seating Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
001	80 FORD TRACTOR X98WVG78111	LOS ANGELES CA, 011			50 C	20,000	234030
002	71 KENWORTH TRACTOR 1222230	LOS ANGELES CA, 011			50 C	20,000	234030
003	61 STRICKLAND TRAILER C41597	LOS ANGELES CA, 011			50 C		684030
004	91 FRUEHAUF TRAILER WE261202	LOS ANGELES CA, 011			50 C		684030
005	81 CHEVY TRUCK 1GTGC34M1B2508142	LOS ANGELES CA, 011			50 C	10,000	034030
006	89 NISSAN UD TRUCK JN8ME9754KGE50191	LOS ANGELES CA, 011			50 C	20,000	234030
007	76 INTERNATIONAL TRUCK D0525FHA26710	LOS ANGELES CA, 011			50 C	20,000	234030
008	74 INTERNATIONAL TRUCK 22685DCA17226	LOS ANGELES CA, 011			50 C	20,000	234030
009	78 FORD TRUCK N8UEFVBB3166	LOS ANGELES CA, 011			50 C	20,000	234030

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Monly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
	PREMIUM	Limits Stated in each P.I.P. end minus deductible shown below	PREMIUM	Limit Stated in each Added P.I.P. end Premium	Limit Stated in P.I.P. end minus deductible shown below	PREMIUM	PREMIUM	PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	Limit Stated in ITEM TWO PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	
001	1,985						59	83						
002	1,985						59	83						
003	139						9							
004	139						9							
005	1,985						59	83						
006	1,985						59	83						
007	1,985						59	83						
008	1,985						59	83						
009	1,985						59	83						
Total														

AUTO SCHEDULE
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

 Named Insured **AADLEN BROTHERS AUTO WRECKING,**
 Agent Name **RED HAWK INSURANCE SERVICES, INC.**

 Effective Date: **02-11-01**
 12:01 A.M., Standard Time
 Agent No. **0000001**

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Business use Radius \ s = service or \ r = retail Ops. \ c = comm	Size GVW GCW or Vehicle Seating Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
010	86 CHEVY TRUCK 1GBJC34MXGJ159756	LOS ANGELES CA, 011			50 C	10,000	034030
011	81 CHEVY TRUCK 1GBHC34M1BZ135905	LOS ANGELES CA, 011			50 C	10,000	034030
012	78 HOBBS TRAILER C639462	LOS ANGELES CA, 011			50 C		684030
013	79 GMC TRUCK TCS339V629480	LOS ANGELES CA, 011			50 C	10,000	034030
014	89 CHEVY TRACTOR 1GCD14K1KZ110595	LOS ANGELES CA, 011			50 C	10,000	034030
015	86 FREIGHTLINER TRACTOR TRUCK 1FTV8Y07S0GE275999	LOS ANGELES CA, 011			50 C	20,000	234030
016	88 FORD RANGER 1FTCR14T9JPA64494	LOS ANGELES CA, 011			50 C	10,000	034030
017	91 GMC TOP KICK 1GDG6H1J6MJ522520	LOS ANGELES CA, 011			50 C	20,000	234030
018	91 CADILLAC SEDAN 1G6CD53B8M4287844	LOS ANGELES CA, 011	\$ 40,000 ACV		50 C	10,000	034030

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Monly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
	PREMIUM	Limits Stated in each P.I.P. end minus deductible shown below	PREMIUM	Limit Stated in each Added P.I.P. end Premium	Limit Stated in P.I.P. end minus deductible shown below	PREMIUM	PREMIUM	PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	Limit Stated in ITEM TWO PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	
010	1,985						59	83						
011	1,985						59	83						
012	139						9							
013	1,985						59	83						
014	1,985						59	83						
015	1,985						59	83						
016	1,985						59	83						
017	1,985						59	83						
018	1,985						59	83	1,000	91		1,000	286	
Total														

AUTO SCHEDULE
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,
Agent Name RED HAWK INSURANCE SERVICES, INC.

Effective Date: 02-11-01
12:01 A.M., Standard Time
Agent No. 0000001

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Business use Radius \ s = service or \ r = retail Ops. \ c = comm.	Size GVW GCW or Vehicle Seating Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
019	91 INTERNATIONAL 4 CAR 1HTSDZ7N9MH334511	LOS ANGELES CA, 011			50 C	45,000	334030
020	84 WHITE TRACTOR 1WUGDEJG4EN058997	LOS ANGELES CA, 011			50 C	20,000	234030
021	99 GRATE DANE TRAILER 1GRDM9022JM083409	LOS ANGELES CA, 011			50 C		684030
022	89 CADILLAC EL DORADO 1G6EL1151KU623199	LOS ANGELES CA, 011	\$ 31,000 ACV				739800
023	89 CADILLAC SEDAN DEVILLE 1G6CD515K4256526	LOS ANGELES CA, 011	\$ 36,000 ACV				739800
024	88 FORD TRUCK 1FTBR10T6JUC40792	LOS ANGELES CA, 011			50 C	10,000	034030
025	89 GMC TRUCK 1GTFC24K6KZ50217	LOS ANGELES CA, 011			50 C	10,000	034030
026	84 FORD 1FTEP15F5EPA70065	LOS ANGELES CA, 011			50 C	10,000	034030
027	83 CHEVY TRUCK 1GCGC34M2D7152043	LOS ANGELES CA, 011			50 C	10,000	034030

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Monly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
	PREMIUM	Limits Stated in each P.I.P. end minus deductible shown below	PREMIUM	Limit Stated in each Added P.I.P. end Premium	Limit Stated in P.I.P. end minus deductible shown below	PREMIUM	PREMIUM	PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	Limit Stated in ITEM TWO PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	
019	2,354						59	83						
020	1,985						59	83						
021	139						9							
022	899						38	97	1,000	71		1,000	263	
023	899						38	97	1,000	71		1,000	263	
024	1,985						59	83						
025	1,985						59	83						
026	1,985						59	83						
027	1,985						59	83						
Total														

AUTO SCHEDULE
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,
Agent Name RED HAWK INSURANCE SERVICES, INC.

Effective Date: 02-11-01
12:01 A.M., Standard Time
Agent No. 0000001

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Business use Radius \ s = service or \ r = retail Ops. \ c = comm	Size GVW GCW or Vehicle Seating Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
028	81 CHEVY TRUCK 1GVHC34MXBZA35806	LOS ANGELES CA, 011			50 C	10,000	034030
029	79 GMC T TRUCK TCC339F522511	LOS ANGELES CA, 011			50 C	10,000	034030
030	81 CHEVY TRUCK 1GBGC24M4BS136352	LOS ANGELES CA, 011			50 C	10,000	034030
031	79 KENWORTH TRACTOR 177617SGL	LOS ANGELES CA, 011			50 C	20,000	234030
032	81 WHITE TRACTOR 1WXDCHUD9BN145783	LOS ANGELES CA, 011			50 C	10,000	034030
033	91 CHEVY BLAZER 1GNCS1873M8110412	LOS ANGELES CA, 011			50 C	10,000	034030
034	85 GMC TRACTOR 1GTT9K4CXFV607859	LOS ANGELES CA, 011			50 C	10,000	034030
035	89 CADILLAC EL DORADO 1G6EL115XKU609222	LOS ANGELES CA, 011					739800
036	93 FREIGHTLINER TRACTOR 1FUYDCXZB4PP480537	LOS ANGELES CA, 011			50 C	20,000	234030

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Monly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
		Limits Stated in each P.I.P. and minus deductible shown below		Limit Stated in each Added P.I.P. and Premium	Limit Stated in P.I.P. and minus deductible shown below				Limit Stated in ITEM TWO minus deductible shown below		Limit Stated in ITEM TWO PREMIUM	Limit Stated in ITEM TWO minus deductible shown below		
	PREMIUM		PREMIUM			PREMIUM	PREMIUM	PREMIUM		PREMIUM			PREMIUM	
028	1,985						59	83						
029	1,985						59	83						
030	1,985						59	83						
031	1,985						59	83						
032	1,985						59	83						
033	1,985						59	83						
034	1,985						59	83						
035	899						38	97						
036	1,985						59	83						
Total														

AUTO SCHEDULE
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,
Agent Name RED HAWK INSURANCE SERVICES, INC.

Effective Date: 02 - 11 - 01
12:01 A.M., Standard Time
Agent No. 0000001

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Business use Radlus \ s = service or \ r = retail Ops. \ c = comm.	Size GVW GCW or Vehicle Seat- ing Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
037	92 FORD TRUCK 2EDLE47M5NCA30540	LOS ANGELES CA, 011			50 C	20,000	234030
038	89 CHEVY 1GCGC34N0KE152945	LOS ANGELES CA, 011			50 C	10,000	034030
039	92 CADILLAC SEVILLE 1G6KY53B7NU807789	LOS ANGELES CA, 011					739800
040	90 FREIGHTLINER TRACTOR 1FUYDCVB1LP385281	LOS ANGELES CA, 011			50 C	10,000	034030
041	86 TRAILMOBILE TRAILER 1PTF71TJ7G008442	LOS ANGELES CA, 011			50 C		684030
042	91 SATURN SA 1G8ZE5495MA119975	LOS ANGELES CA, 011					739800
043	79 FOUNTAIN TRAILER 30244	LOS ANGELES CA, 011			50 C		684030
044	69 HOBBS TRAILER FHK639803	LOS ANGELES CA, 011			50 C		684030
045	73 FORD TRUCK F60DCR95142	LOS ANGELES CA, 011			50 C	10,000	034030

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Montly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
		Limit Stated in each P.I.P. end minus deductible shown below		Limit Stated in each Added P.I.P. end Premium	Limit Stated in P.I.P. end minus deductible shown below				Limit Stated in ITEM TWO minus deductible shown below			Limit Stated in ITEM TWO minus deductible shown below		
	PREMIUM		PREMIUM			PREMIUM	PREMIUM	PREMIUM		PREMIUM	Limit Stated in ITEM TWO PREMIUM		PREMIUM	
037	1,985						59	83						
038	1,985						59	83						
039	899						38	97						
040	1,985						59	83						
041	139						9							
042	899						38	97						
043	139						9							
044	139						9							
045	1,985						59	83						
Total														

AUTO SCHEDULE
DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

 Named Insured AADLEN BROTHERS AUTO WRECKING,
 Agent Name RED HAWK INSURANCE SERVICES, INC.

 Effective Date: 02-11-01
 12:01 A.M., Standard Time
 Agent No. 0000001

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Business use Radius or Ops.	Size GVW GCW or Vehicle Seating Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
046	80 DODGE DYNASTY 1B3XC463XLD773359	LOS ANGELES CA, 011					739800
047	91 FORD EXPLORER 1FMDU34XXMU426713	LOS ANGELES CA, 011			50 C	10,000	034030
048	92 CADILLAC EL DORADO 1GGE113B6NV601612	LOS ANGELES CA, 011	\$ 42,000 ACV				739800
049	94 JEEP GRAND CHEROKEE 1J4GZ78Y6RC220255	LOS ANGELES CA, 011	\$ 34,000 ACV				739800
050	89 FORD RANGER 1FTCR10AXKUB97188	LOS ANGELES CA, 011			50 C	10,000	034030
051	94 LEXUS SC400 JTRUZ30C3R0036201	LOS ANGELES CA, 011					739800
052	94 CADILLAC SEVILLE 1N6KY5292RU810118	LOS ANGELES CA, 011	\$ 8,000 ACV				739800
053	84 CHEVY 1NCEC14F9DJ130411	LOS ANGELES CA, 011			50 C	10,000	034030
054	79 TRANSCRAFT TRAILER TJ112831	LOS ANGELES CA, 011	\$ 7,000 ACV		50 C		684030

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Monly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
	PREMIUM	Limits Stated in each P.I.P. end minus deductible shown below	PREMIUM	Limit Stated in each Added P.I.P. end Premium	Limit Stated in P.I.P. end minus deductible shown below	PREMIUM	PREMIUM	PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	Limit Stated in ITEM TWO PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	
046	899						38	97						
047	1,985						59	83						
048	899						38	97	1,000	111		1,000	366	
049	899						38	97	1,000	71		1,000	263	
050	1,985						59	83						
051	899						38	97						
052	899						38	97	1,000	6		1,000	81	
053	1,985						59	83						
054	139						9		1,000	6		1,000	23	
Total														

DISCOVER PROPERTY & CASUALTY

Policy Number
DRE5467301

AUTO SCHEDULE

DISCOVER PROPERTY & CASUALTY INSURANCE COMPANY

Named Insured AADLEN BROTHERS AUTO WRECKING,
Agent Name RED HAWK INSURANCE SERVICES, INC.

Effective Date: 02-11-01
12:01 A.M., Standard Time
Agent No. 0000001

This policy is hereby made to apply to the items described below.

DESCRIPTION			CLASSIFICATION				
Cov'd Auto No.	Year Model; Trade Name; Body Type; Serial Number(s) Vehicle Identification Number (VIN)	Territory: Town & State Where the Covered Auto will be principally garaged.	PURCHASED		Radius \ s = service or \ r = retail Ops. \ c = comm.	Size GVW GCW or Vehicle Seating Capacity	Code Factor
			Original Cost New	Actual Cost & NEW (N) USED (U)			
055	97 MERCURY MOUNTAINEER 4M2DU52P2VUJ23600	LOS ANGELES CA, 011	\$ 8,000 ACV				739800
056	90 BUICK 2G4WB14L0L1440027	LOS ANGELES CA, 011	\$ 8,000 ACV				739800
057	89 PONTIAC 1G2WJ14TXKF306192	LOS ANGELES CA, 011					739800

Cov'd Auto No.	LIABILITY	PERS. INJ. PROT.		Add'd P.I.P.	Prop. Prot. (Monly)		Auto Med. Pay	Uninsur'd Motorists	COMPREHENSIVE		SPECIFIED PERILS	COLLISION		TOWING & LABOR
	PREMIUM	Limits Stated in each P.I.P. end minus deductible shown below	PREMIUM	Limit Stated in each Added P.I.P. end Premium	Limit Stated in P.I.P. end minus deductible shown below	PREMIUM	PREMIUM	PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	Limit Stated in ITEM TWO PREMIUM	Limit Stated in ITEM TWO minus deductible shown below	PREMIUM	
055	899						38	97	1,000	10		1,000	110	
056	899						38	97	1,000	6		1,000	81	
057	899						38	97						
Total	84,628						2,690	4,249		443			1,736	

GARAGE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI Definitions.

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
21	Any "Auto"	
22	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
23	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
24	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
25	Owned "Autos" Subject To No-Fault	Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
26	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
27	Specifically Described "Autos"	Only those "autos" described in Item Seven of the Non-Dealers' and Trailer Dealers' Supplementary Schedule or Item Nine of the Dealers' Supplementary Schedule for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in Item Seven or Item Nine).
28	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners, (if you are a partnership), members (if you are a limited liability company) or members of their households.
29	Non-Owned "Autos" Used In Your Garage Business	Any "auto" you do not own, lease, hire, rent or borrow used in connection with your garage business described in the Declarations. This includes "autos" owned by your "employees" or partners (if you are a partnership), members (if you are a limited liability company), or members of their households while used in your garage business.

Symbol**Description Of Covered Auto Designation Symbols**

- | | | |
|----|---|---|
| 30 | "Autos" Left With You For Service, Repair, Storage Or Safekeeping | Any customer's land motor vehicle or trailer or semitrailer while left with you for service, repair, storage or safekeeping. Customers include your "employees", and members of their households, who pay for the services performed. |
| 31 | Dealers "Autos" And "Autos" Held For Sale By Non-Dealers Or Trailer Dealers (Physical Damage Coverages) | Any "autos" and the interests in these "autos" described in Item Seven of the Dealers' Supplementary Schedule or Item Nine of the Non-Dealers' and Trailer Dealers' Supplementary Schedule. |

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **21, 22, 23, 24, 25, or 26** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **27** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

- c. Servicing;
- d. "Loss"; or
- e. Destruction.

SECTION II - LIABILITY COVERAGE**A. Coverage****"GARAGE OPERATIONS" - OTHER THAN COVERED "AUTOS"**

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies caused by an "accident" and resulting from "garage operations" other than the ownership, maintenance or use of covered "autos".

We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable Liability Coverage Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" has been exhausted by payment of judgments or settlements.

"GARAGE OPERATIONS" - COVERED "AUTOS"

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos".

C. Certain Trailers And Temporary Substitute Autos

If Liability coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "Insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance - "Garage Operations" - Covered "Autos" has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

a. The following are "insureds" for covered "autos":

- (1) You for any covered "auto".
- (2) Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (a) The owner or anyone else from whom you hire or borrow a covered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
 - (b) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (c) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is your "garage operations".
 - (d) Your customers, if your business is shown in the Declarations as an "auto" dealership. However, if a customer of yours:
 - (i) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.
 - (ii) Has other available insurance (whether primary, excess or

contingent) less than the compulsory or financial responsibility law limits where the covered "auto" is principally garaged, they are an "insured" only for the amount by which the compulsory or financial responsibility law limits exceed the limit of their other insurance.

(e) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "auto" owned by him or her or a member of his or her household.

(3) Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

b. The following are "insureds" for "garage operations" other than covered "autos":

- (1) You.
- (2) Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

2. Coverage Extensions

a. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-Of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". But for "garage operations" other than covered "autos" this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.
- c. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- d. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above as directed.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving:

- a. Property owned, rented or occupied by the "insured";
- b. Property loaned to the "insured";
- c. Property held for sale or being transported by the "insured"; or
- d. Property in the "insured's" care, custody or control.

But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Leased Autos

Any covered "auto" while leased or rented to others. But this exclusion does not apply to a covered "auto" you rent to one of your customers while their "auto" is left with you for service or repair.

8. Pollution Exclusion Applicable To "Garage Operations" - Other Than Covered "Autos"

"Bodily injury", "property damage" or loss, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. At or from any premises, site or location that is or was at any time owned or occupied by, or rented or loaned to, any "insured";
- b. At or from any premises, site or location that is or was at any time used by or for any "insured" or others for the handling, storage, disposal, processing or treatment of waste;
- c. At or from any premises, site or location on which any "insured" or any contractors or subcontractors working directly or indirectly on any "insured's" behalf are performing operations:
 - (1) To test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of the "pollutants"; or
 - (2) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or

- d. That are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or any person or organization for whom you may be legally responsible.

Loss, cost or expense means those resulting from any:

- (1) Request, demand or order that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants";
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".

Paragraphs a. and c.(2) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. In this exclusion, a hostile fire means one that becomes uncontrollable, or breaks out from where it was intended to be.

9. Pollution Exclusion Applicable To "Garage Operations" - Covered "Autos"

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gas or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

10. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

11. Watercraft Or Aircraft

Any watercraft or aircraft except watercraft while ashore on premises where you conduct "garage operations".

12. Defective Products

"Property damage" to any of your "products", if caused by a defect existing in your "products" or any part of your "products", at the time it was transferred to another.

13. Work You Performed

"Property damage" to "work you performed" if the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

14. Loss Of Use

Loss of use of other property not physically damaged if caused by:

- a.** A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

- b.** A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed". But this exclusion, **14.b.**, does not apply if the loss of use was caused by sudden and accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

15. Products Recall

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

16. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

17. Liquor Liability

"Bodily injury" or "property damage" for which an "insured" may be held liable by reason of:

- a.** Causing or contributing to the intoxication of any person;
- b.** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c.** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you use the premises in part for the following purposes:

- (1) Serving or furnishing alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license; or
 - (b) Is for the purpose of financial gain or livelihood; or
- (2) Serving or furnishing alcoholic beverages without a charge, if a license is required for such activity.

C. Limit Of Insurance

1. Aggregate Limit Of Insurance - "Garage Operations" - Other Than Covered "Autos"

For "garage operations" other than the ownership, maintenance or use of covered "autos", the following applies:

Regardless of the number of "insureds", claims made or "suits" brought or persons or organizations making claims or bringing "suits", the most we will pay for the sum of all damages involving "garage operations" other than "auto" is the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

Damages payable under the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" consist of damages resulting from "garage operations", other than the ownership, maintenance or use of the "autos" indicated in SECTION I of this Coverage Form as covered "autos", including the following coverages, if provided by endorsement:

- a. "Personal injury" liability coverage;
- b. "Advertising injury" liability coverage;
- c. Host liquor liability coverage;
- d. Fire legal liability coverage;
- e. Incidental medical malpractice liability coverage;
- f. Non-owned watercraft coverage;
- g. Broad form products coverage.

Damages payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" are not payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Covered "Autos".

Subject to the above, the most we will pay for all damages resulting from all "bodily injury" and "property damage" resulting from any one "accident" is the Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

The Aggregate Limit of Insurance - "Garage Operations" Other Than Covered "Autos" applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos".

2. Limit Of Insurance - "Garage Operations" - Covered "Autos"

For "accidents" resulting from "garage operations" involving the ownership, maintenance or use of covered "autos", the following applies:

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" involving a covered "auto" is the Each "Accident" Limit of Insurance - "Garage Operations" - Covered "Autos" for Liability Coverage shown in the Declarations.

Damages and "covered pollution cost or expense" payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Covered "Autos" are not payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos".

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

D. Deductible

We will deduct \$100 from the damages in any "accident" resulting from "property damage" to an "auto" as a result of "work you performed" on that "auto".

SECTION III - GARAGEKEEPERS COVERAGE

A. Coverage

1. We will pay all sums the "insured" legally must pay as damages for "loss" to a covered "auto" or "auto" equipment left in the "insured's" care while the "insured" is attending, servicing, repairing, parking or storing it in your "garage operations" under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) Mischief or vandalism.

- c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any loss to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. **Who Is An Insured**

The following are "insureds" for "loss" to covered "autos":

- a. You.
- b. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders while acting within the scope of their duties as such.

4. **Coverage Extensions**

The following applies as Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "insured":

- a. All expenses we incur.

- b. The cost of bonds to release attachments in "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

B. Exclusions

1. This insurance does not apply to any of the following:

- a. **Contractual Obligations**

Liability resulting from any agreement by which the "insured" accepts responsibility for "loss".

- b. **Theft**

"Loss" due to theft or conversion caused in any way by you, your "employees" or by your shareholders.

- c. **Defective Parts**

Defective parts or materials.

- d. **Faulty Work**

Faulty "work you performed".

2. We will not pay for "loss" to any of the following:

- a. Tape decks or other sound reproducing equipment unless permanently installed in a covered "auto".
- b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- c. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "auto" manufacturer for the installation of a radio.
- d. Equipment designed or used for the detection or location of radar.

C. Limit Of Insurance And Deductible

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Insurance shown in the Declarations for that location minus the applicable deductibles for "loss" caused by collision, theft or mischief or vandalism.
2. The maximum deductible stated in the Declarations for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by theft or mischief or vandalism.
3. Sometimes to settle a claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

SECTION IV - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing - Non-Dealers Only

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extension

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to \$15 per day to a maximum of \$450 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for "loss" to any of the following:
- a. Any covered "auto" leased or rented to others unless rented to one of your customers while their "auto" is left with you for service or repair.
 - b. Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such contest or activity.
 - c. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
 - e. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
 - f. Any accessories used with the electronic equipment described in Paragraph e. above.
- Exclusions 2.e. and 2.f. do not apply to:
- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
 - b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.
3. **False Pretense**
- We will not pay for "loss" to a covered "auto" caused by or resulting from:
- a. Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
 - b. Your acquiring an "auto" from a seller who did not have legal title.
4. If your business is shown in the Declarations as an "auto" dealership, we will not pay for:
- a. Your expected profit, including loss of market value or resale value.
 - b. "Loss" to any covered "auto" displayed or stored at any location not shown in Item Three of the Declarations if the "loss" occurs more than 45 days after your use of the location begins.
 - c. Under the Collision Coverage, to any covered "auto" while being driven or transported from the point of purchase or distribution to its destination if such points are more than 50 road miles apart.
 - d. Under the Specified Causes of Loss Coverage, to "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.
5. **Other Exclusions**
- We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:
- a. Wear and tear, freezing, mechanical or electrical breakdown;
 - b. Blowouts, punctures or other road damage to tires.
- C. **Limits Of Insurance**
1. The most we will pay for "loss" to any one covered "auto" is the lesser of:
- a. The actual cash value of the damaged or stolen property as of the time of "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

2. For those businesses shown in the Declarations as "auto" dealerships, the following provisions also apply:

- a. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" at any one location is the amount shown in the Auto Dealers Supplementary Schedule for that location. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" in transit is the amount shown in the Auto Dealers Supplementary Schedule for "loss" in transit.
- b. **Quarterly Or Monthly Reporting Premium Basis**

If, on the date of your last report, the actual value of the covered "autos" at the "loss" location exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for the involved location by the value you actually had on the date of your last report.

If the first report due is delinquent on the date of "loss", the most we will pay will not exceed 75 percent of the Limit of Insurance shown in the Auto Dealers Supplementary Schedule for the applicable location.

- c. **Non-Reporting Premium Basis**

If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit of Insurance shown in the Declarations, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the limit by the total values you actually had when "loss" occurred.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations provided that:

1. **"Auto" Dealers Only Special Deductible Provisions**

If your business is shown in the Declarations as an "auto" dealership:

- a. The Comprehensive or Specified Causes of Loss Coverage deductible applies only to "loss" caused by theft or mischief or vandalism.

- b. Regardless of the number of covered "autos" damaged or stolen, the per "loss" deductible for Comprehensive or Specified Causes of Loss Coverage shown in the Declarations is the maximum deductible applicable for all "loss" in any one event caused by any theft or mischief or vandalism.

2. **Non-Dealers Only Special Deductible Provisions**

If your business is shown in the Declarations as something other than an "auto" dealership, the Comprehensive Coverage deductible does not apply to "loss" caused by fire or lightning.

SECTION V - GARAGE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. **Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire.

The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the accident or "loss". Include:
- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover:

- a. "Bodily injury", "property damage" and "losses" occurring; and

- b. "Covered pollution cost or expense" arising out of "accidents" occurring during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "bodily injury", "property damage", "covered pollution cost or expense" and "losses" while a covered "auto" is being transported between any of these places.

The coverage territory is extended to anywhere in the world if the "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada. The original "suit" for damages resulting from such "bodily injury" or "property damage" must be brought in one of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION VI - DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means a land motor vehicle, "trailer" or semi-trailer.
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
1. Any request, demand or order; or
 2. Any claim or "suit" by or on behalf of a governmental authority demanding

that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured";
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

F. "Garage operations" means the ownership, maintenance of one or more locations for garage business and that portion of the roads or other accesses that adjoin these locations. "Garage operations" includes the ownership, maintenance or use of the "autos" indicated in SECTION I of this Coverage Form as covered "autos". "Garage operations" also include all operations necessary or incidental to a garage business.

G. "Insured" means any person or organization qualifying as an insured in the Who Is an Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

- 1. A lease of premises;
- 2. A sidetrack agreement;
- 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- 5. That part of any other contract or agreement pertaining to your garage business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
- 6. An elevator maintenance agreement;
- 7. That part of any contract or agreement entered into, as part of your garage business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- 1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

- b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- 2. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
- 3. That pertains to the loan, lease or rental of an "auto", to you or any of your "employees" if the "auto" is loaned, leased or rented with a driver; or
- 4. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- J. "Loss" means direct and accidental loss or damage. But for Garagekeepers Coverage only, "loss" also includes any resulting loss of use.
- K. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, re-conditioned or reclaimed.
- L. "Products" includes:
 - a. The goods or products you made or sold in a garage business; and
 - b. The providing of or failure to provide warnings or instructions.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

- 1. Damages because of "bodily injury" or "property damage"; or
- 2. A "covered pollution cost or expense", to which this insurance applies, are claimed.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

O. "Temporary worker" means a person who is furnished to you for a finite time period to support or supplement your work force in special work situations such as "employee" absences, temporary skill shortages and seasonal workloads.

P. "Trailer" includes semitrailer.

Q. "Work you performed" includes:

- a. Work that someone performed on your be-half; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES IN COMMERCIAL AUTO COVERAGE FORMS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTOPHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

SECTION I - LOSS OF USE

Changes In Physical Damage Coverage

Coverage Extension under Physical Damage Coverage is replaced by the following:

Coverage Extensions

A. Transportation Expenses

We will pay up to \$15 per day to a maximum of \$450 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

B. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

1. Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
2. Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
3. Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$15 per day, to a maximum of \$450.

SECTION II - LIMITED WORLDWIDE COVERAGE FOR HIRED AUTOS

Paragraph 7. **Policy Period, Coverage Territory** of the **General Conditions** is amended by the addition of the following:

The coverage territory is extended to anywhere in the world if:

- a. A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
- b. The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

SECTION III - CHANGES IN DEFINITIONS

- A. The definition of "insured contract" contained in **Section V - Definitions** of the Business Auto Coverage Form and **Section VI - Definitions** of the Motor Carrier and Truckers Coverage Forms is replaced by the following:

"Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

B. The definition of "insured contract" contained in Section VI - Definitions of the Garage Coverage Form is replaced by the following:

"Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your garage business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. An elevator maintenance agreement;
7. That part of any contract or agreement entered into, as part of your garage business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
2. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
3. That pertains to the loan, lease or rental of an "auto", to you or any of your "employees" if the "auto" is loaned, leased or rented with a driver; or
4. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority; or
5. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** The **Other Insurance** Condition is changed by adding the following:
- d.** When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - 1.** One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing "autos", and
 - 2.** The other provides coverage to a person not engaged in that business, and
 - 3.** At the time of an "accident", a person described in **2.** is operating an "auto" owned by the business described in **1.**, then that person's liability coverage is primary and the Coverage Form issued to a business described in **1.** is excess over any coverage available to that person.
 - e.** When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - 1.** One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing "autos", and
 - 2.** The other provides coverage to a person not engaged in that business, and
 - 3.** At the time of an "accident" an "insured" under the Coverage Form described in **1.** is operating an "auto" owned by a person described in **2.**, then the Coverage Form issued to the business described in **1.** is primary and the Liability Coverage issued to a person described in **2.** is excess over any coverage available to the business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	
Named Insured	Countersigned by

(Authorized Representative)

SCHEDULE

Liability Deductible:	\$ 1,000	Per "Accident"
"Bodily Injury" Deductible:	\$	Per Person
	\$	Per "Accident"
"Property Damage" Liability:	\$	Per "Accident"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

LIABILITY COVERAGE is changed as follows:

A. LIABILITY COVERAGE DEDUCTIBLE

The damages caused in any one "accident" that would otherwise be payable under LIABILITY COVERAGE will be reduced by the Liability Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

B. BODILY INJURY LIABILITY COVERAGE DEDUCTIBLES**1. Per Person**

The damages that would otherwise be payable under LIABILITY COVERAGE for "bodily

injury" sustained by any one person, in any one "accident", will be reduced by the "Bodily Injury" Per Person Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

2. Per Accident

The damages that would otherwise be payable under LIABILITY COVERAGE for all "bodily injury" caused in any one "accident" will be reduced by the "Bodily Injury" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

C. PROPERTY DAMAGE LIABILITY COVERAGE DEDUCTIBLE

The damages that would otherwise be payable under LIABILITY COVERAGE for "property damage" caused in any one "accident" will be reduced by the "Property Damage" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

D. OUR RIGHT TO REIMBURSEMENT

To settle any claim or suit we will pay all or any part of any deductible shown in the Schedule. You must reimburse us for the deductible or the part of the deductible we paid.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CALIFORNIA UNINSURED MOTORISTS COVERAGE -
BODILY INJURY**

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By: (Authorized Representative)
Named Insured:	

SCHEDULE

LIMIT OF INSURANCE	
\$ 60,000	Each "Accident"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. We will pay only after the limits of liability under any liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. Who Is An Insured

1. You.
2. If you are an individual, any "family member".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
4. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle".

3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. "Bodily injury" sustained by:
 - a. You while "occupying" or when struck by any vehicle owned by you that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by you that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
5. "Bodily injury" sustained by you or any "family member" while "occupying" any vehicle leased by you or any "family member" under a written contract for a period of 6 months or more that is not a covered "auto".
6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
7. "Bodily injury" sustained by an "insured" while "occupying" any "auto" that is rented or leased to that "insured" for use as a public or livery conveyance. However, this exclusion does not apply if the "insured" is in the business of providing public or livery conveyance.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. For a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", our Limit of Insurance shall be reduced by all sums paid because of "bodily injury" by or for anyone who is legally responsible, including all sums paid or payable under this policy's Liability Coverage.

3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage and any Liability Coverage form or Medical Payments Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

E. Changes In Conditions

The **Conditions** are changed for California Uninsured Motorists Coverage - Bodily Injury as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved, and
- b. Send us copies of the legal papers if a "suit" is brought. In addition, a person seeking coverage under Paragraph **b.** of the definition of "uninsured motor vehicle" must:
 - (1) Provide us with a copy of the complaint by personal service or certified mail if the "insured" brings an action against the owner or operator of such "uninsured motor vehicle",
 - (2) Within a reasonable time, make all pleadings and depositions available for copying by us or furnish us copies at our expense, and
 - (3) Provide us with proof that the limits of insurance under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

2. **Legal Action Against Us** is replaced by the following:

No legal action may be brought against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form and with respect to Paragraphs **a.**, **c.**, and **d.** of the definition of "uninsured motor vehicle" unless within one year from the date of the "accident":

- a. Agreement as to the amount due under this insurance has been concluded;

- b. The "insured" has formally instituted arbitration proceedings against us. In the event that the "insured" decides to arbitrate, the "insured" must formally begin arbitration proceedings by notifying us in writing, sent by certified mail, return receipt requested; or

- c. "Suit" for "bodily injury" has been filed against the uninsured motorist in a court of competent jurisdiction.

Written notice of the "suit" must be given to us within a reasonable time after the "insured" knew, or should have known, that the other motorist is uninsured. In no event will such notice be required before one year from the date of the accident. Failure of the "insured" or his or her representative to give us such notice of the "suit" will relieve us of our obligations under this Coverage Form only if the failure to give notice prejudices our rights.

3. Transfer Of Rights Of Recovery Against Others To Us is replaced by the following:

- a. With respect to Paragraphs a., c. and d. of the definition of "uninsured motor vehicle", if we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
- b. With respect to Paragraph b. of the definition of "uninsured motor vehicle", if we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

4. Other Insurance in the Business Auto and Garage Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.

- c. The coverage under this Coverage Form is provided:

- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

5. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

F. Additional Definitions

The following are added to the **Definitions** Section:

1. "Family member" means your spouse, whether or not a resident of your household, and any other person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or trailer:
- a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;

- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged but that sum is less than the Limit of Insurance for this coverage;
- c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with an "insured", a covered "auto" or a vehicle an "insured" is "occupying".

However, uninsured motor vehicle does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed or modified for use primarily off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GARAGE LOCATIONS AND OPERATIONS MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable medical and funeral expenses to or for each person who sustains "bodily injury" to which this coverage applies, caused by an "accident" and resulting from:

1. The maintenance or use of the locations shown in the Declarations and that portion of the roads or other accesses that adjoin these locations for garage business.
2. All operations necessary or incidental to a garage business.

We will pay only those expenses incurred for services rendered within one year from the date of the "accident".

B. Exclusions

This insurance does not apply to:

1. "Bodily injury" resulting from the maintenance or use of any "auto".

2. "Bodily injury" to a person, whether or not an "employee" of any "insured", if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

3. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.

4. "Bodily injury" to any "insured".

C. Limit Of Insurance

Regardless of the number of persons who sustain "bodily injury" or claims made, the most we will pay for "bodily injury" for each person injured in any one "accident" is the Limit of Medical Payments Coverage shown in the Declarations.

D. Changes In Conditions

The **Transfer Of Rights Of Recovery Against Others To Us** Garage Condition does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

B. Who Is An Insured

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. How-

ever, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.
2. The reference in Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance - Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PUNITIVE/EXEMPLARY DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY FORM
COMMERCIAL AUTOMOBILE COVERAGE FORM
GARAGE COVERAGE FORM

This insurance does not apply to punitive or exemplary damages.

If a suit is brought against you for a claim falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then we shall not be obligated to pay for any costs, interest, or damages attributable to punitive or exemplary damages.



COMMERCIAL
INSURANCE
POLICY



COMMERCIAL INSURANCE POLICY - COMMON POLICY DECLARATIONS

Policy No. DRE0170799

Renewal of:

NAMED INSURED AND MAILING ADDRESS:

ADLEN GROUP ENTERPRISES
SEE END NO. 1
8103 S ALAMEDA ST
LOS ANGELES CA 90001-4108

Branch Office: DISCOVERY MANAGERS, LTD.

Agent: RED HAWK INSURANCE SERVICES, INC.

Address: 5520 WELLESLEY STREET, SUITE 200
LA MESA, CA 91942-4401

Agent's Code:

Subproducer No. :

Client No. :

2. POLICY PERIOD:

From: 02-11-99 To: 02-11-2000
12:01 A.M. standard time at your mailing address shown above.

Countersigned By:

Karen M. Allison

3. BUSINESS DESCRIPTION:

TOW TRUCK OPERATOR

4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following Coverage Part(s) for which a premium is indicated. This premium may be subject to adjustment. The Policy Writing Minimum Premium is

Coverage Part(s)	Premium
GARAGE COVERAGE PART	\$***108,005

Total Policy Premium \$***108,005

Premium is payable: At Inception: \$***108,005

5. FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART: (See specific form or endorsement for applicability to each coverage part.):

SEE THE ATTACHED LISTING OF FORMS AND ENDORSEMENTS THAT FORM A PART OF THIS POLICY.

Insurer: UNITED STATES FIDELITY AND GUARANTY COMPANY, Baltimore, Maryland 21202

CL/IL 108 06 94M
11/10/95

INSURED

06-02-1999 11:16 AM

Named Insured ADLEN GROUP ENTERPRISES		Endorsement No. 1
Policy No. DRE0170799	Producer RED HAWK INSURANCE SERVICES, INC.	Effective Date 02-11-99 12:01 AM
Issued By (Name of Insurance Company) UNITED STATES FIDELITY AND GUARANTY COMPANY		

EXTENSION OF NAMED INSURED

The Named Insured is completed to read as follows:

ADLEN GROUP ENTERPRISES; SAMSON AUTO SALVAGE; AADLEN BROTHERS AUTO WRECKING; U-PICK PARTS AUTO WRECKING; A FOREIGN U-PICK U-PULL WRECKING; CALIFORNIA CAR HIKERS; BROTHERS AUTO SALE; BROTHERS AUTO WRECKING; AMERICAN TRUCK SALVAGE LOT; UNIVERSAL AUTO WRECKING SAM ADLEN DBA:

INSURED

Named Insured: ADLEN GROUP ENTERPRISES		Endorsement No.
Policy No. DRE0170799	Producer RED HAWK INSURANCE SERVICES, INC.	Effective Date 02-11-99 12:01 A.M.
Issued By (Name of Insurance Company) UNITED STATES FIDELITY AND GUARANTY COMPANY		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LISTING OF FORMS AND ENDORSEMENTS FORMING A PART OF THIS POLICY.

This endorsement modifies insurance provided under the following:

COMMON POLICY

UC 1004 01 97
CL/IL 108 06 94M
END NO. 1
IL 00 17 11 85
IL 02 70 08 97

POLICY JACKET
COMMERCIAL INSURANCE POLICY-COMMON POLICY DECLARATIONS
EXTENSION OF NAMED INSURED
COMMON POLICY CONDITIONS
CALIFORNIA CHANGES-CANCELLATION AND NONRENEWAL

GARAGE COVERAGE-TOW

CL/IL 716 05 89
CL/IL 744 12 90
CL/IL 704 09 89M
CA 00 05 12 93
CA 01 43 02 97
CA 03 02 12 93
CA 03 05 02 97
CA 21 54 02 97
CA 21 55 02 97
CA 25 05 12 93
CA 99 03 12 93
CA 99 17 12 93
CA 99 44 12 93
CL/CA 21 25 06 98
UA 30 15 07 97
UA 30 16 07 97

GARAGE COVERAGE PART-DECLARATIONS
GARAGE COVERAGE PART--NON-DEALERS' AND TRAILER DEALERS SUPPLEMENT
VEHICLE SCHEDULE
GARAGE COVERAGE FORM
CALIFORNIA CHANGES
DEDUCTIBLE LIABILITY COVERAGE
CALIFORNIA CHANGES-WAIVER OF COLLISION DEDUCTIBLE
CALIFORNIA UNINSURED MOTORISTS COVERAGE-BODILY INJURY
CALIFORNIA UNINSURED MOTORISTS COVERAGE-PROPERTY DAMAGE
GARAGE LOCATIONS AND OPERATIONS MEDICAL PAYMENTS COVERAGE
AUTO MEDICAL PAYMENTS COVERAGE
INDIVIDUAL NAMED INSURED
LOSS PAYABLE CLAUSE
YEAR 2000 OR OTHER COMPUTER-RELATED OR ELECTRONIC DATE OR YEAR PR
EXCLUSION-NAMED DRIVER
EXCLUSION-PUNITIVE/EXEMPLARY DAMAGE

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and record as they relate to this policy at any time during the

policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the cause of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 70 08 97

CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART*
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

*This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A), forgery or alteration (Coverage Form B), or public employee dishonesty (Coverage Forms O and P).

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

- (1) Nonpayment of premium; or
- (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

- (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current

policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part

INSURED

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
 - (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
 - (3) We have:
 - (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; andthe Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.
- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California

Earthquake Authority that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
- (1) Businessowners Policy - Businessowners Special Property Coverage Form;
 - (2) Commercial Property Coverage Part-Causes Of Loss - Special Form; or
 - (3) Farm Coverage Part - Farm Property Coverage Form; Covered Causes of Loss - Special.
3. We are not required to send notice of nonrenewal in the following situations:
- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
 - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph C.1.
 - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
 - d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
 - e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
 - f. If we have made a written offer to the first Named Insured, in accordance with the time frames shown in paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

GARAGE COVERAGE PART - DECLARATIONS



Policy No. DRE0170799

Supplemental Schedule Must Be Attached.

ITEM ONE. FORM OF BUSINESS:

☒ Individual ☐ Partnership ☐ Joint Venture ☐ Corporation
☐ Other _____

ITEM TWO. SCHEDULE OF COVERAGES AND COVERED AUTOS:

This Coverage Part provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Garage Coverage Form next to the name of the coverage. Entry of a symbol next to LIABILITY provides coverage for "Garage Operations".

COVERAGES	COVERED AUTOS	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
Liability - "Garage Operations"	27 28 29	"Auto" \$*1,000,000 each "Accident" Other than "Auto" \$*1,000,000 each "Accident" \$*3,000,000 Aggregate	\$ INCLUDED
Personal Injury Protection (P.I.P.) (or equivalent No-Fault coverage)		Separately Stated In Each P.I.P. Endorsement Minus deductible	
Added Personal Injury Protection (or equivalent Added No-Fault coverage)		Separately Stated In Each Added P.I.P. Endorsement.	
Property Protection Insurance (Michigan Only)		Separately Stated In Each P.P.I. Endorsement Minus deductible For Each "Accident"	
"Auto" Medical Payments	27	\$*****1,000	\$ INCLUDED
Uninsured Motorists	27	\$*****60,000	\$ INCLUDED
Underinsured Motorists (when not included in Uninsured Motorists coverage)			
Garagekeepers Comprehensive Coverage	30	\$*****60,000 Each Location minus \$***500 Deductible for each covered "auto" for loss caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such loss in any one event.	\$ INCLUDED
Garagekeepers Specified Causes of Loss Coverage			
Garagekeepers Collision Coverage	30	\$*****60,000 Each Location minus \$***500 Deductible for each covered "auto"	\$ INCLUDED
Physical Damage Comprehensive Coverage	27	Actual Cash Value Or Cost Of Repair, Whichever is Less Minus \$*1,000 Deductible For Each Covered "Auto", But No Deductible Applies To "Loss" Caused By Fire Or Lightning. See Supplemental Schedule for Dealers "auto" and "autos" held for Sale by Trailer Dealers and Non-Dealers.	\$ INCLUDED
Physical Damage Specified Causes Of Loss Coverage		Actual Cash Value Or Cost Of Repair, Whichever is Less Minus \$25. Deductible For Each Covered "Auto", For "Loss" Caused By Mischief or Vandalism. See Supplemental Schedule for Dealers "auto" and "autos" held for Sale by Trailer Dealers and Non-Dealers.	
Physical Damage Collision Coverage	27	Actual Cash Value Or Cost Of Repair, Whichever is Less Minus \$*1,000 Deductible For Each Covered "Auto". See Supplemental Schedule for Dealers "auto" and "autos" held for Sale by Trailer Dealers and Non-Dealers.	\$ INCLUDED
Physical Damage Towing and Labor (not available in California)		\$50 For Each Disablement Of A Private Passenger "Auto."	
Premium For Endorsements:			\$ INCLUDED
TOTAL ESTIMATED PREMIUM FOR THIS COVERAGE PART:			\$ INCLUDED

FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

See "Listing of Forms and Endorsements that Form a Part of This Policy."

**GARAGE COVERAGE PART - NON-DEALERS' AND
TRAILER DEALERS' SUPPLEMENTAL SCHEDULE (PART 1)**
Policy No. DRE0170799

ITEM THREE. LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS:

LOC NO.	ADDRESS
	State Your Main Business Location as Location No. 1
001	8033 S ALAMEDA ST, LOS ANGELES, CA 90001-4107
002	8103 S ALAMEDA ST, LOS ANGELES, CA 90001-4108
003	8119 S ALAMEDA ST, LOS ANGELES, CA 90001-4108

**ITEM FOUR: LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND
NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE
COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.**

LOC NO.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
001	\$ INCLUDED	\$ INCLUDED	\$ INCLUDED
002	\$ INCLUDED	\$ INCLUDED	\$ INCLUDED
003	\$ INCLUDED	\$ INCLUDED	\$ INCLUDED

TOTAL PREMIUM \$ INCLUDED

ITEM FIVE. GARAGEKEEPERS COVERAGES AND PREMIUMS:

LOC NO	COVERAGES	LIMIT OF INSURANCE FOR EACH LOCATION (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or Deductible applies)
001	Comprehensive	\$***60,000 minus \$***500 Deductible for each covered "auto" for "loss" caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	
	Collision	\$***60,000 Each Location minus \$***500 Deductible for each covered "auto"
002	Comprehensive	\$ INCLUDED minus \$***500 Deductible for each covered "auto" for "loss" caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	
	Collision	\$ INCLUDED Each Location minus \$***500 Deductible for each covered "auto"
003	Comprehensive	\$ INCLUDED minus \$***500 Deductible for each covered "auto" for "loss" caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	
	Collision	\$ INCLUDED Each Location minus \$***500 Deductible for each covered "auto"

PREMIUM FOR ALL LOCATIONS	
Comprehensive	\$ INCLUDED
Specified Causes of Loss	NOT COVERED
Collision	\$ INCLUDED

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated by " ☒ "

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE** . If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE**. If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance

CL/IL 744 12 90 (Part 1)

(ISO CA 00 08 12 90)

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GARAGE COVERAGE PART - NON-DEALERS' AND TRAILER DEALERS' SUPPLEMENTAL SCHEDULE (PART 3)
Policy No. DRE0170799

ITEM TEN. PHYSICAL DAMAGE COVERAGE - AUTOS HELD FOR SALE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS:

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those "autos" held for sale by Non-dealers and trailer dealers.

Each of the following PHYSICAL DAMAGE COVERAGE coverages which is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by " ☒ ":

COVERAGES	TYPES OF "AUTOS"		INTERESTS COVERED			
	New "Autos"	Used "Autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee	All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale.
Comprehensive						
Specified Causes of Loss						
Collision						

LOC NO	COVERAGES	LIMIT OF INSURANCE FOR EACH LOCATION			RATES	PREMIUM
1	Comprehensive	\$ minus \$ Deductible for each covered auto for				\$
	Specified Causes of Loss	"loss" caused by theft or mischief or vandalism subject to \$ maximum deductible for all such "loss" in any one event.				\$
2	Comprehensive	\$ minus \$ Deductible for each covered auto for				\$
	Specified Causes of Loss	"loss" caused by theft or mischief or vandalism subject to \$ maximum deductible for all such "loss" in any one event.				\$
3	Comprehensive	\$ minus \$ Deductible for each covered auto for				\$
	Specified Causes of Loss	"loss" caused by theft or mischief or vandalism subject to \$ maximum deductible for all such "loss" in any one event.				\$
All	Collision	\$ Each Location minus \$ Deductible for each covered "auto"			Adjustment Factor	Premium
		Blanket Annual Collision Rates				
		First \$50,000	%50,001 To \$100,000	Over \$100,000		
						\$

TOTAL PREMIUM \$

Our limit of insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$ In Transit

PREMIUM BASIS - Reporting (Quarterly Or Monthly) Or Nonreporting (Indicate Basis Agreed Upon By " ☒ " - See reverse side for explanation)

YOUR REPORTING BASIS IS: ☐ QUARTERLY ☐ MONTHLY ☐ NONREPORTING

Loss Payee - Any "loss" is payable as interest may appear to you and:

**GARAGE COVERAGE PART - NON-DEALERS' AND
TRAILER DEALERS' SUPPLEMENTAL SCHEDULE (PART 1)**
Policy No. DRE0170799

ITEM THREE. LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS:

LOC NO.	ADDRESS State Your Main Business Location as Location No. 1
004	8123 S ALAMEDA ST, LOS ANGELES, CA 90001-4108
005	11590 TUXFORD ST, SUN VALLEY, CA 91352-3112
006	11409 PENROSE ST, SUN VALLEY, CA 91352-3922

**ITEM FOUR: LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND
NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE
COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.**

LOC NO.	ESTIMATED PAYROLL	RATE PER \$100 OF PAYROLL	PREMIUM
004	\$ INCLUDED	\$ INCLUDED	\$ INCLUDED
005	\$ INCLUDED	\$ INCLUDED	\$ INCLUDED
006	\$ INCLUDED	\$ INCLUDED	\$ INCLUDED

TOTAL PREMIUM \$ INCLUDED

ITEM FIVE. GARAGEKEEPERS COVERAGES AND PREMIUMS:

LOC NO	COVERAGES	LIMIT OF INSURANCE FOR EACH LOCATION (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or Deductible applies)
004	Comprehensive	\$ INCLUDED minus \$***500 Deductible for each covered "auto" for "loss" caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	
	Collision	Each Location minus \$***500 Deductible for each covered "auto"
005	Comprehensive	\$ INCLUDED minus \$***500 Deductible for each covered "auto" for "loss" caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	
	Collision	\$ INCLUDED Each Location minus \$***500 Deductible for each covered "auto"
006	Comprehensive	\$ INCLUDED minus \$***500 Deductible for each covered "auto" for "loss" caused by theft or mischief or vandalism subject to \$*2,500 maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	
	Collision	\$ INCLUDED Each Location minus \$***500 Deductible for each covered "auto"

PREMIUM FOR ALL LOCATIONS	
Comprehensive	\$ INCLUDED
Specified Causes of Loss	NOT COVERED
Collision	\$ INCLUDED

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated by " ☒ "

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE** . If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE**. If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance

CL/IL 744 12 90 (Part 1)

(ISO CA 00 08 12 90)

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GARAGE COVERAGE PART - NON-DEALERS' AND TRAILER DEALERS' SUPPLEMENTAL SCHEDULE (PART 3)

Policy No. DRE0170799

ITEM TEN. PHYSICAL DAMAGE COVERAGE - AUTOS HELD FOR SALE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS:

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those "autos" held for sale by Non-dealers and trailer dealers.

Each of the following PHYSICAL DAMAGE COVERAGE coverages which is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by " ☒ ".

COVERAGES	TYPES OF "AUTOS"		INTERESTS COVERED			
	New "Autos"	Used "Autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee	All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale.
Comprehensive						
Specified Causes of Loss						
Collision						

LOC NO	COVERAGES	LIMIT OF INSURANCE FOR EACH LOCATION			RATES	PREMIUM
1	Comprehensive	\$ minus \$ Deductible for each covered auto for				\$
	Specified Causes of Loss	"loss" caused by theft or mischief or vandalism subject to \$ maximum deductible for all such "loss" in any one event.				\$
2	Comprehensive	\$ minus \$ Deductible for each covered auto for				\$
	Specified Causes of Loss	"loss" caused by theft or mischief or vandalism subject to \$ maximum deductible for all such "loss" in any one event.				\$
3	Comprehensive	\$ minus \$ Deductible for each covered auto for				\$
	Specified Causes of Loss	"loss" caused by theft or mischief or vandalism subject to \$ maximum deductible for all such "loss" in any one event.				\$
All	Collision	\$ Each Location minus \$ Deductible for each covered "auto"			Adjustment Factor	Premium
		Blanket Annual Collision Rates				
		First \$50,000	%50,001 To \$100,000	Over \$100,000		
						\$

TOTAL PREMIUM \$

Our limit of insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$ In Transit

PREMIUM BASIS - Reporting (Quarterly Or Monthly) Or Nonreporting (Indicate Basis Agreed Upon By " ☒ " - See reverse side for explanation)

YOUR REPORTING BASIS IS: ☐ QUARTERLY ☐ MONTHLY ☐ NONREPORTING

Loss Payee - Any "loss" is payable as interest may appear to you and:

VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
001	1980 FORD TRACTOR	TRK		
002	X98WVGJ8111			
002	1989 GMC	TRK		
003	1GDHR34NOKJ504928			
003	1971 KENWORTH TRACTOR	TRK		
004	1222230			
004	1961 STRICKLAND TRAILER	TRLR		
005	C41597			
005	1971 FRUEHAUF TRAILER	TRLR		
	WE261202			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
001	50	C	17,440	6	2.10		1.00		36429
002	50	C	6,540	6	1.30				03429
003	50	C	16,190	6	1.35		1.00		23429
004	50	C		6	.15				68429
005	50	C		6	.15				68429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as Interest may appear at the time of "loss."
001	LOS ANGELES, CA	
002	LOS ANGELES, CA	
003	LOS ANGELES, CA	
004	LOS ANGELES, CA	
005	LOS ANGELES, CA	

INSURED

VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
006	1967 BROWN TRAILER	TRLR		
	S673584			
007	1981 GMC	TRK		
	1GTGC34M1B2508142			
008	1989 NISSAN UD	TRK		
	JNAME9754KGE50191			
009	1973 KENWORTH TRACTOR	TRK		
	133900			
010	1976 INTERNATIONAL	TRK		
	D0525FHA26710			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
006	50	C		6	.15				68429
007	50	C	4,460	6	1.30				03429
008	50	C	10,360	6	1.35		1.00		23429
009	50	C	16,020	6	1.35		1.00		23429
010	50	C	13,730	6	1.35		1.00		23429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as interest may appear at the time of "loss."
006	LOS ANGELES, CA	
007	LOS ANGELES, CA	
008	LOS ANGELES, CA	
009	LOS ANGELES, CA	
010	LOS ANGELES, CA	

INSURED

VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
011	1974 INTERNATIONAL	TRK		
	22685DCA17226			
012	1978 FORD	TRK		
	N8UFVBB3166			
013	1986 CHEVROLET	TRK		
	1GBJC34MXGJ159756			
014	1981 CHEVROLET	TRK		
	1GBHC34M1BZ135905			
015	1978 HOBBS TRAILER	TRLR		
	C639462			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
011	50	C	14,280	6	1.35		1.00		23429
012	50	C	14,120	6	1.35		1.00		23429
013	50	C	6,480	6	1.30				03429
014	50	C	6,270	6	1.30				03429
015	50	C		6	.15				68429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as interest may appear at the time of "loss."
011	LOS ANGELES, CA	
012	LOS ANGELES, CA	
013	LOS ANGELES, CA	
014	LOS ANGELES, CA	
015	LOS ANGELES, CA	

INSURED

VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
016	1983 GMC CABALLERO	TRK		
	1GTCW80H5CR502115			
017	1984 CHEVROLET PICKUP	TRK		
	1GTEC14F9DJ130411			
018	1979 GMC PICKUP	TRK		
	TCS339V629480			
019	1987 NISSAN MAXIMA	PPV		
	JN1HU1152HT214322			
020	1989 CHEVROLET PICKUP	TRK		
	1GDCD14K1KZ110595			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
016	50	C	3,400	6	1.30				03429
017	50	C	3,928	6	1.30				03429
018	50	C	4,710	6	1.30				03429
019	50	C	2,000	6	1.00				07398
020	50	C	4,040	6	1.30		1.00		03429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as Interest may appear at the time of "loss."
016	LOS ANGELES, CA	
017	LOS ANGELES, CA	
018	LOS ANGELES, CA	
019	LOS ANGELES, CA	
020	LOS ANGELES, CA	

INSURED

VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION	PURCHASED	
		Original Cost New	Actual Cost & New (N) Used(U)
021	1986 FREIGHTLINER TRACTOR TRK 1FV8Y0Y90GP275999		
022	1988 FORD RANGER TRK 1FTCR14T9JPA64494		
023	1992 FORD EXPLORER TRK 1FMCU24XXNUE09249		
024	1991 GMC TRK 1GDG6H1J6MJ522520		
025	1991 CADILLAC SEDAN TRK 1G6CD53B8M4287844	\$*****40,000	

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
021	50	C	15,980	6	1.35		1.00		23429
022	50	C	3,330	6	1.30				03429
023	50	C	4,000	6	1.30				03429
024	50	C	10,860	6	1.35		1.00		23429
025	50	C	6,000	6	1.30	1.15			03429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as interest may appear at the time of "loss."
021	LOS ANGELES, CA	
022	LOS ANGELES, CA	
023	LOS ANGELES, CA	
024	LOS ANGELES, CA	
025	LOS ANGELES, CA	

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VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION	PURCHASED	
		Original Cost New	Actual Cost & New (N) Used(U)
026	1986 VOLVO WHITE TRACTOR TRK 1WUYOCJE2GN114008	\$*****42,000	
027	1991 INTERNATIONAL TRK 1HTS027N9MH334511		
028	1992 CADILLAC EL DORADO PPV 1GGEL13B6NV601612		
029	1984 WHITE TRACTOR TRK 1WVGDEJG4EN058997		
030	1988 GRATE FLATBED TRLR 1GRDM9022JM083409		

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
026	50	C	18,500	6	2.10		1.00		36429
027	50	C	20,600	6	1.80		1.00		33429
028	50	C	4,000	6	1.00	1.00			07398
029	50	C	16,500	6	2.10		1.00		36429
030	50	C		6	.15				68429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as Interest may appear at the time of "loss."
026	LOS ANGELES, CA	
027	LOS ANGELES, CA	
028	LOS ANGELES, CA	
029	LOS ANGELES, CA	
030	LOS ANGELES, CA	

INSURED

VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
031	1989 CADILLAC EL DORADO	PPV	\$*****31,000	
032	1989 CADILLAC DEVILLE	PPV	\$*****36,000	
033	1988 FORD PICKUP	TRK		
034	1989 GMC PICKUP	TRK		
035	1984 FORD PICKUP	TRK		

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
031	50	C	3,700	6	1.00	1.00			07398
032	50	C	3,700	6	1.00	1.00			07398
033	50	C	3,080	6	1.30				03429
034	50	C	3,000	6	1.30				03429
035	50	C	2,075	6	1.30				03429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as interest may appear at the time of "loss."
031	LOS ANGELES, CA	
032	LOS ANGELES, CA	
033	LOS ANGELES, CA	
034	LOS ANGELES, CA	
035	LOS ANGELES, CA	

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VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
036	1983 CHEVROLET	TRK		
	1GCGC34M2DJ152043			
037	1981 CHEVROLET	TRK		
	1GBHC34MXBZ135806			
038	1979 GMC	TRK		
	TCC339F522511			
039	1969 H0BB FLATBED	TRLR		
	FHK639803			
040	1989 PONTIAC 6000 SEDAN	PPV		
	1G2AF51W7K6263142			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
036	50	C	6,270	6	1.30				03429
037	50	C	5,590	6	1.30				03429
038	50	C	8,710	6	1.30				03429
039	50	C		6	.15				68429
040	50	C	3,000	6	1.00				07398

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as interest may appear at the time of "loss."
036	LOS ANGELES, CA	
037	LOS ANGELES, CA	
038	LOS ANGELES, CA	
039	LOS ANGELES, CA	
040	LOS ANGELES, CA	

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VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
041	1981 CHEVROLET PICKUP	TRK		
	1GPGC24M4BS136352			
042	1979 KENWORTH	TRK		
	177617SGL			
043	1981 WHITE	TRK		
	1WXDCHUD9BN045783			
044	1991 CHEVROLET	TRK		
	1GNCS18Z3M8110412			
045	1987 BMW	PPV	\$*****27,000	
	WBABB1302H1925984			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
041	50	C	2,060	6	1.30				03429
042	50	C	14,090	6	1.35		1.00		23429
043	50	C	6,080	6	1.30				03429
044	50	C	3,040	6	1.30				03429
045	50	C	2,010	6	1.00	1.00			07398

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as Interest may appear at the time of "loss."
041	LOS ANGELES, CA	
042	LOS ANGELES, CA	
043	LOS ANGELES, CA	
044	LOS ANGELES, CA	
045	LOS ANGELES, CA	

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VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
046	1994 JEEP CHEROKEE	PPV	\$*****34,000	
047	1J4GZ78Y6RC220255			
048	1985 GMC	TRK	\$*****25,000	
049	1GTT9K4CXFV607859			
050	1989 CADILLAC	PPV		
	1G6EL115XKU609222			
	1993 FREIGHTLINER TRACTOR	TRK		
	1FUYDXCB4PP480537			
	1992 FORD	TRK		
	2FDLF47M5NCA30540			

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
046	50	C	5,066	6	1.00	1.00			07398
047	50	C	6,000	6	1.30				03429
048	50	C	3,060	6	1.00	1.00			07398
049	50	C	17,840	6	2.10		1.00		36429
050	50	C	11,200	6	1.35		1.00		23429

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as Interest may appear at the time of "loss."
046	LOS ANGELES, CA	SOUTHERN CALIFORNIA CENTRAL CREDIT UNION
047	LOS ANGELES, CA	
048	LOS ANGELES, CA	
049	LOS ANGELES, CA	
050	LOS ANGELES, CA	

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VEHICLE SCHEDULE

Policy No. DRE0170799

Covered "Auto" No.	DESCRIPTION		PURCHASED	
	Year Model; Trade Name; Body Type, Serial Number (S), Vehicle Identification Number (VIN)		Original Cost New	Actual Cost & New (N) Used(U)
051	1989 CHEVROLET PICKUP	TRK		
052	1992 CADILLAC	PPV		
053	1990 FREIGHTLINER	TRK		
054	1986 TRALMOBILE TRAILER	TRLR		
055	1979 MERCEDES	PPV	\$*****18,000	

CLASSIFICATION									
Covered "Auto" No.	Radius of Operation	Business use s = service r = retail c = commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liability	Physical Damage	Liability	Physical Damage	
051	50	C	5,017	6	1.30				03429
052	50	C	10,000	6	1.00				07398
053	50	C	17,100	6	1.35				23429
054	50	C		6	.15				68429
055	50	C	10,000	6	1.00	1.00			07398

Territory		
Covered "Auto" No.	City & State where the covered "auto" will be principally garaged	LOSS PAYEE - Except for towing, all physical damage "loss" is payable to you and the loss payee named below as interest may appear at the time of "loss."
051	LOS ANGELES, CA	
052	LOS ANGELES, CA	
053	LOS ANGELES, CA	
054	LOS ANGELES, CA	
055	LOS ANGELES, CA	

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GARAGE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI - DEFINITIONS.

SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos." The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos."

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL	DESCRIPTION
--------	-------------

21 = ANY "AUTO."

22 = OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.

23 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.

24 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.

25 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.

26 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state

uninsured motorists requirement.

27 = SPECIFICALLY DESCRIBED "AUTOS." Only those "autos" described in ITEM SEVEN of the Non-Dealers' and Trailer Dealers' Supplementary Schedule or ITEM NINE of the Dealers' Supplementary Schedule for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in ITEM SEVEN or ITEM NINE).

28 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your employees or partners or members of their households.

29 = NON-OWNED "AUTOS" USED IN YOUR GARAGE BUSINESS. Any "auto" you do not own, lease, hire, rent or borrow used in connection with your garage business described in the Declarations. This includes "autos" owned by your employees or partners or members of their households while used in your garage business.

30 = "AUTOS" LEFT WITH YOU FOR SERVICE, REPAIR, STORAGE OR SAFEKEEPING. Any customer's "auto" while left with your "garage operations" for service, repair, storage or safekeeping. Customers include your employees or members of their households who pay for the services performed.

31 = DEALERS "AUTOS" AND "AUTOS" HELD FOR SALE BY NON-DEALERS OR TRAILER DEALERS (PHYSICAL DAMAGE COVERAGES). Any "autos" and the interests in these "autos" described in ITEM SEVEN of the Dealers' Supplementary Schedule or ITEM NINE of the Non-Dealers' and Trailer Dealers' Supplementary Schedule.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols 21, 22, 23, 24, 25 or 26 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.

2. But, if symbol 27 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto"

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financial responsibility law limits where the covered "auto" is principally garaged, they are an "insured" only for the amount by which the compulsory or financial responsibility law limits exceed the limit of their other insurance.

(e) A partner of yours for a covered "auto" owned by him or her or a member of his or her household.

(3) Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

b. The following are "insureds" for "garage operations" other than covered "autos":

(1) You.

(2) Your partners, employees, directors or shareholders but only while acting within the scope of their duties.

2. COVERAGE EXTENSIONS

a. **Supplementary Payments.** In addition to the Limit of Insurance, we will pay for the "insured":

(1) All expenses we incur.

(2) Up to \$250 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Insurance.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$100 a day because of time off from work.

(5) All costs taxed against the "insured" in any "suit" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. **Out-of-State Coverage Extensions.**

While a covered "auto" is away from the state where it is licensed we will:

(1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto"

is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. EXPECTED OR INTENDED INJURY

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured." But for "garage operations" other than covered "autos" this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. CONTRACTUAL

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or

b. That the "insured" would have in the absence of the contract or agreement.

3. WORKERS' COMPENSATION

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

"Bodily injury" to:

a. An employee of the "insured" arising out of and in the course of employment by the "insured"; or

b. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph a. above.

c. A person arising out of any:

(1) Refusal to employ that person;

(2) Termination of that person's employment; or

(3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation,

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- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants."

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

10. RACING

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

11. WATERCRAFT OR AIRCRAFT

Any watercraft or aircraft except watercraft while ashore on premises where you conduct "garage operations."

12. DEFECTIVE PRODUCTS

"Property damage" to any of your "products," if caused by a defect existing in your "products" or any part of your "products," at the time it was transferred to another.

13. WORK YOU PERFORMED

"Property damage" to "work you performed" if

the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

14. LOSS OF USE

Loss of use of other property not physically damaged if caused by:

- a. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- b. A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed." But this exclusion, 14.b., does not apply if the loss of use was caused by sudden and accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

15. PRODUCTS RECALL

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

16. WAR

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

17. LIQUOR LIABILITY

"Bodily injury" or "property damage" for which an "insured" may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you use the premises in part for the following purposes:

- (1) Serving or furnishing alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license; or
 - (b) Is for the purpose of financial gain or livelihood; or
- (2) Serving or furnishing alcoholic beverages

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another object; or

(2) The covered "auto's" overturn.

b. Specified Causes of Loss Coverage. Caused by:

(1) Fire, lightning or explosion;

(2) Theft; or

(3) Mischief or vandalism.

c. Collision Coverage. Caused by:

(1) The covered "auto's" collision with another object; or

(2) The covered "auto's" overturn.

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any loss to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. WHO IS AN INSURED

The following are "insureds" for "loss" to covered "auto's":

a. You.

b. Your partners, employees, directors or shareholders while acting within the scope of their duties as such.

4. COVERAGE EXTENSIONS

Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "insured":

a. All expenses we incur.

b. The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Insurance.

c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$100 a day because of time off from work.

d. All costs taxed against the "insured" in any "suit" we defend.

e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

B. EXCLUSIONS

1. This insurance does not apply to any of the following:

a. Contractual Obligations.

Liability resulting from any agreement by

which the "insured" accepts responsibility for "loss."

b. Theft.

"Loss" due to theft or conversion caused in any way by you, your employees or by your shareholders.

c. Defective Parts.

Defective parts or materials.

d. Faulty Work.

Faulty "work you performed."

2. We will not pay for "loss" to any of the following:

a. Tape decks or other sound reproducing equipment unless permanently installed in a covered "auto."

b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.

c. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "auto" manufacturer for the installation of a radio.

d. Equipment designed or used for the detection or location of radar.

C. LIMIT OF INSURANCE AND DEDUCTIBLE

1. Regardless of the number of covered "autos," "insureds," premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Insurance shown in the Declarations for that location minus the applicable deductibles for "loss" caused by collision, theft or mischief or vandalism.

2. The maximum deductible stated in the Declarations for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by theft or mischief or vandalism.

3. Sometimes to settle a claim or "suit," we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

SECTION IV - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage. From any cause except:

(1) The covered "auto's" collision with another object; or

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from a housing unit which is permanently installed in the covered "auto" at the time of the "loss," and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or

b. Any other electronic equipment that is:

(1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or

(2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

3. False Pretense. We will not pay for "loss" to a covered "auto" caused by or resulting from:

- a. Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
- b. Your acquiring an "auto" from a seller who did not have legal title.

4. If your business is shown in the Declarations as an "auto" dealership, we will not pay for:

- a. Your expected profit.
- b. "Loss" to any covered "auto" displayed or stored at any location not shown in ITEM THREE of the Declarations if the "loss" occurs more than 45 days after your use of the location begins.
- c. Under the Collision Coverage, to any covered "auto" while being driven or transported from the point of purchase or distribution to its destination if such points are more than 50 road miles apart.
- d. Under the Specified Causes of Loss Coverage, to "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.

5. Other Exclusions.

We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- a. Wear and tear, freezing, mechanical or electrical breakdown;
- b. Blowouts, punctures or other road damage to tires.

C. LIMITS OF INSURANCE

1. The most we will pay for "loss" to any one covered "auto" is the lesser of:

- a. The actual cash value of the damaged or stolen property as of the time of "loss"; or
- b. The cost of repairing or replacing the

damaged or stolen property with other property of like kind and quality.

2. For those businesses shown in the Declarations as "auto" dealerships, the following provisions also apply:

a. Regardless of the number of covered "autos" involved in the "loss," the most we will pay for all "loss" at any one location is the amount shown in the Auto Dealers Supplementary Schedule for that location. Regardless of the number of covered "autos" involved in the "loss," the most we will pay for all "loss" in transit is the amount shown in the Auto Dealers Supplementary Schedule for "loss" in transit.

b. Quarterly or Monthly Reporting Premium Basis. If, on the date of your last report, the actual value of the covered "autos" at the "loss" location exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for the involved location by the value you actually had on the date of your last report.

If the first report due is delinquent on the date of "loss," the most we will pay will not exceed 75 percent of the Limit of Insurance shown in the Auto Dealers Supplementary Schedule for the applicable location.

c. Non-Reporting Premium Basis. If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit of Insurance shown in the Declarations, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the limit by the total values you actually had when "loss" occurred.

D. DEDUCTIBLE

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations provided that:

1. "Auto" Dealers Only Special Deductible Provisions.

If your business is shown in the Declarations as an "auto" dealership:

a. The Comprehensive or Specified Causes of Loss Coverage deductible applies only to "loss" caused by theft or mischief or vandalism.

b. Regardless of the number of covered "autos" damaged or stolen, the per "loss" deductible for Comprehensive or Specified Causes of Loss Coverage

INSURED

them.

B. GENERAL CONDITIONS

1. BANKRUPTCY

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured," at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. LIBERALIZATION

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. NO BENEFIT TO BAILEE - PHYSICAL DAMAGE COVERAGES

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. OTHER INSURANCE

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto."

- c. Regardless of the provisions of paragraph a. above, this Coverage Form's Liability coverage is primary for any liability assumed under an "insured contract."

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. PREMIUM AUDIT

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Form, we cover:

- a. "Bodily injury," "property damage" and "losses" occurring; and
- b. "Covered pollution cost or expense" arising out of "accidents" occurring during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "bodily injury," "property damage," "covered pollution cost or expense" and "losses" while a covered "auto" is being transported between any of these places.

The coverage territory is extended to anywhere in the world if the "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada. The original "suit" for damages resulting from such "bodily injury" or "property damage" must be brought in one of these places.

8. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If this Coverage Form and any other Coverage Form or policy issued to you by us

INSURED

the extent that it obligates you or any of your employees to pay "property damage" to any "auto" rented or leased by you or any of your employees.

An "insured contract" does not include that part of any contract or agreement:

1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b. Giving directions or instructions or failing to give them, if that is the primary cause of the injury or damage.
 2. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
 3. That pertains to the loan, lease or rental of an "auto," to you or any of your employees if the "auto" is loaned, leased or rented with a driver; or
 4. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- H. "Loss" means direct and accidental loss or damage. But for Garagekeepers Coverage only, "loss" also includes any resulting loss of use.
- I. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke,

vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

J. "Products" includes:

- a. The goods or products you made or sold in a garage business; and
- b. The providing of or failure to provide warnings or instructions.

K. "Property damage" means damage to or loss of use of tangible property.

L. "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury," or "property damage" or
2. A "covered pollution cost or expense," to which this insurance applies, are claimed.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

M. "Trailer" includes semitrailer.

N. "Work you performed" includes:

- a. Work that someone performed on your behalf; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 01 43 02 97

CALIFORNIA CHANGES

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. The OTHER INSURANCE Condition is changed by adding the following:
 - d. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - 1. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing "autos," and
 - 2. The other provides coverage to a person not engaged in that business, and
 - 3. At the time of an "accident," a person described in 2. is operating an "auto" owned by the business described in 1., then that person's liability coverage is primary and the Coverage Form issued to a business described in 1. is excess over any coverage available to that person.
 - e. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - 1. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing "autos," and
 - 2. The other provides coverage to a person not engaged in that business, and
 - 3. At the time of an "accident" an "insured" under the Coverage Form described in 1. is operating an "auto" owned by a person described in 2., then the Coverage Form issued to the business described in 1. is primary and the Liability Coverage issued to a person described in 2. is excess over any coverage available to the business.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 02 12 93

DEDUCTIBLE LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	Policy No.
02 - 11 - 99 12:01 A.M. standard time	DRE0170799
Named Insured	Countersigned by
ADLEN GROUP ENTERPRISES	(Authorized Representative)

SCHEDULE

Liability Deductible	\$*****1,000	Per "Accident"
"Bodily Injury" Deductible	\$ N/A	Per Person Per "Accident"
"Property Damage" Liability	\$ N/A	Per "Accident"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

LIABILITY COVERAGE is changed as follows:

A. LIABILITY COVERAGE DEDUCTIBLE

The damages caused in any one "accident" that would otherwise be payable under LIABILITY COVERAGE will be reduced by the Liability Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

B. BODILY INJURY LIABILITY COVERAGE DEDUCTIBLES

1. Per Person

The damages that would otherwise be payable under LIABILITY COVERAGE for "bodily injury" sustained by any one person, in any one "accident," will be reduced by the "Bodily Injury" Per Person Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

2. Per Accident

The damages that would otherwise be payable under LIABILITY COVERAGE for all "bodily injury" caused in any one "accident" will be reduced by the "Bodily Injury" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

C. PROPERTY DAMAGE LIABILITY COVERAGE DEDUCTIBLE

The damages that would otherwise be payable under LIABILITY COVERAGE for "property damage" caused in any one "accident" will be reduced by the "Property Damage" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

D. OUR RIGHT TO REIMBURSEMENT

To settle any claim or suit we will pay all or any part of any deductible shown in the Schedule. You must reimburse us for the deductible or the part of the deductible we paid.

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 05 02 97

CALIFORNIA CHANGES - WAIVER OF COLLISION DEDUCTIBLE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES	Countersigned by (Authorized Representative)	

SCHEDULE

Waiver of Collision Deductible	
Designation or Description of Covered "Auto"	Premium
25) 1991 CADILLAC SEDAN #87844	\$ INCLUDED
28) 1992 CADILLAC EL DORADO #01612	
31) 1989 CADILLAC EL DORADO #23199	
32) 1989 CADILLAC DEVILLE #56526	
45) 1987 BMW #25984	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. When PHYSICAL DAMAGE COVERAGE provides coverage for a "loss" to a covered "auto" caused by its collision or upset, and:

1. The "loss" involves an "uninsured motor vehicle"; and
2. You are legally entitled to recover the full amount of your "loss" from the owner or operator of the "uninsured motor vehicle"; and
3. The Schedule indicates that the Waiver of Collision deductible provision applies to the covered "auto"; then

We will pay the full deductible. Subject to the above, if you are legally entitled to recover only a percentage of your "loss," we will pay that percentage of your deductible. However, if the amount of the "loss" is less than your deductible, we will pay the percentage of the "loss" that you are legally entitled to recover. In no event will we pay more than the amount of the "loss."

B. CONDITIONS

1. The following is added to the CONDITIONS section:

ARBITRATION

a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. The arbitration must be formally instituted by the "insured" within one year from the date of the "accident." Each party will bear the expenses of the arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

2. Paragraph 2.a. of the DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS Condition is replaced as follows:

a. You must report the "accident" or "loss" to us or our agent within ten business

INSURED

days. You must tell us how, when and where the "loss" happened. You must assist in obtaining names and addresses of any injured persons and witnesses.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. For Physical Damage Coverage:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit, other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
- b. "Uninsured motor vehicle" means a land motor vehicle or trailer which is involved in a collision with your covered "auto" and for which:
 - (1) No liability bond or policy at the time of an "accident" provides at least the amount required for property damage liability by the California Financial Responsibility Law; or

- (2) The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- (1) The owner or operator of that vehicle must be identified; or
- (2) The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- (1) Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- (2) Owned by a governmental unit or agency; or
- (3) Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 05 02 97

CALIFORNIA CHANGES - WAIVER OF COLLISION DEDUCTIBLE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES	Countersigned by (Authorized Representative)	

SCHEDULE

Waiver of Collision Deductible	
Designation or Description of Covered "Auto"	Premium
46) 1994 JEEP CHEROKEE #20255	\$ INCLUDED
48) 1989 CADILLAC #09222	
55) 1979 MERCEDES #12476	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. When PHYSICAL DAMAGE COVERAGE provides coverage for a "loss" to a covered "auto" caused by its collision or upset, and:

1. The "loss" involves an "uninsured motor vehicle"; and
2. You are legally entitled to recover the full amount of your "loss" from the owner or operator of the "uninsured motor vehicle"; and
3. The Schedule indicates that the Waiver of Collision deductible provision applies to the covered "auto"; then

We will pay the full deductible. Subject to the above, if you are legally entitled to recover only a percentage of your "loss," we will pay that percentage of your deductible. However, if the amount of the "loss" is less than your deductible, we will pay the percentage of the "loss" that you are legally entitled to recover. In no event will we pay more than the amount of the "loss."

B. CONDITIONS

1. The following is added to the CONDITIONS section:

ARBITRATION

a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. The arbitration must be formally instituted by the "insured" within one year from the date of the "accident." Each party will bear the expenses of the arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

2. Paragraph 2.a. of the DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS Condition is replaced as follows:

- a. You must report the "accident" or "loss" to us or our agent within ten business

INSURED

days. You must tell us how, when and where the "loss" happened. You must assist in obtaining names and addresses of any injured persons and witnesses.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. For Physical Damage Coverage:

a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit, other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

b. "Uninsured motor vehicle" means a land motor vehicle or trailer which is involved in a collision with your covered "auto" and for which:

- (1) No liability bond or policy at the time of an "accident" provides at least the amount required for property damage liability by the California Financial Responsibility Law; or

- (2) The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- (1) The owner or operator of that vehicle must be identified; or
- (2) The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- (1) Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- (2) Owned by a governmental unit or agency; or
- (3) Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 54 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - BODILY INJURY

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

LIMIT OF INSURANCE

Each "Accident"

\$*****60,000

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the "insured" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. If this insurance provides a limit in excess of the amounts required by the applicable law where a covered "auto" is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. WHO IS AN INSURED

1. You.
2. If you are an individual, any "family member."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
4. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured."

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in paragraph b. of the definition of "uninsured motor vehicle."
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. "Bodily injury" sustained by:
 - a. You while "occupying" or when struck by any vehicle owned by you that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by you that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage form or policy.
5. "Bodily injury" sustained by you or any "family

INSURED

- b. With respect to paragraph b. of the definition of "uninsured motor vehicle," if we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.
4. OTHER INSURANCE in the Business Auto and Garage Coverage Forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
5. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party. The arbitration shall be conducted by a single neutral arbitrator. However, disputes

concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS section:

1. "Family member" means your spouse, whether or not a resident of your household, and any other person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or trailer:
- a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;
- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged but that sum is less than the LIMIT OF INSURANCE for this coverage;
- c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with an "insured," a covered "auto" or a vehicle an "insured" is "occupying."

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed or modified for use primarily off public roads while not on public roads.

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by (Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium \$ INCLUDED
1) 1980 FORD TRACTOR #J8111	
2) 1989 GMC #04928	
3) 1971 KENWORTH TRACTOR #22230	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
7) 1981 GMC #08142	\$ INCLUDED
8) 1989 NISSAN UD #50191	
9) 1973 KENWORTH TRACTOR 333900	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

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CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
10) 1976 INTERNATIONAL #26710	\$ INCLUDED
11) 1974 INTERNATIONAL #17226	
12) 1978 FORD #17226	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

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CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
13) 1986 CHEVROLET #59756	\$ INCLUDED
14) 1981 CHEVROLET #35905	
16) 1983 GMC CABALLERO #02115	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

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CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
17) 1984 CHEVROLET #30411	\$ INCLUDED
18) 1979 GMC PICKUP #29480	
19) 1987 NISSAN MAXIMA #14322	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

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CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
20) 1989 CHEVROLET PICKUP #10595	\$ INCLUDED
21) 1986 FREIGHTLINER TRACTOR #75999	
22) 1988 FORD RANGER #64494	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

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CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
23) 1992 FORD EXPLORER #09249	\$ INCLUDED
24) 1991 GMC TRUCK #22520	
26) 1986 VOLVO WHITE TRACTOR #14008	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

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CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
27) 1991 INTERNATIONAL #34511	\$ INCLUDED
29) 1984 WHITE TRACTOR #58997	
33) 1988 FORD PICKUP #40792	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
34) 1989 GMC PICKUP #50217	\$ INCLUDED
35) 1984 FORD PICKUP #70065	
36) 1983 CHEVROLET #52043	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

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Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
37) 1981 CHEVROLET #35806	\$ INCLUDED
38) 1979 GMC 1 TON #22511	
40) 1989 PONTIAC 6000 SEDAN #63142	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

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CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

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Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
41) 1981 CHEVROLET PICKUP #36352	\$ INCLUDED
42) 1979 KENWORTH #17SGL	
43) 1981 WHITE #45873	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
44) 1991 CHEVROLET #10412	\$ INCLUDED
47) 1985 GMC #07859	
49) 1993 FREIGHTLINER TRACTOR #80537	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
50) 1992 FORD #30540	\$ INCLUDED
51) 1989 CHEVROLET #52945	
52) 1992 CADILLAC #07789	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-99	12:01 A.M. standard time	Policy No. DRE0170799
Named Insured ADLEN GROUP ENTERPRISES		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
53) 1990 FREIGHTLINER #85281	\$ INCLUDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 25 05 12 93

GARAGE LOCATIONS AND OPERATIONS MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. COVERAGE

We will pay reasonable medical and funeral expenses to or for each person who sustains "bodily injury" to which this coverage applies, caused by an "accident" and resulting from:

1. The maintenance or use of the locations shown in the Declarations and that portion of the roads or other accesses that adjoin these locations for garage business.
2. All operations necessary or incidental to a garage business.

We will pay only those expenses incurred, for services rendered within one year from the date of the "accident."

B. EXCLUSIONS

This insurance does not apply to:

1. "Bodily injury" resulting from the maintenance or use of any "auto."
2. "Bodily injury" to a person, whether or not an

employee of any "insured," if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

3. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.

4. "Bodily injury" to any "insured."

C. LIMIT OF INSURANCE

Regardless of the number of persons who sustain "bodily injury" or claims made, the most we will pay for "bodily injury" for each person injured in any one "accident" is the Limit of Medical Payments Coverage shown in the Declarations.

D. CHANGES IN CONDITIONS

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Garage Condition does not apply.

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 03 12 93

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. COVERAGE

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident." We will pay only those expenses incurred, for services rendered within three years from the date of the "accident."

B. WHO IS AN INSURED

1. You while "occupying" or, while a pedestrian, when struck by an "auto."
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member."
4. "Bodily injury" to your employee arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic employees if not entitled to workers' compensation benefits.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
7. "Bodily injury" to anyone using a vehicle

without a reasonable belief that the person is entitled to do so.

8. "Bodily injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. LIMIT OF INSURANCE

Regardless of the number of covered "autos," "insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the LIMIT OF INSURANCE for AUTO MEDICAL PAYMENTS COVERAGE shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

E. CHANGES IN CONDITIONS

The CONDITIONS are changed for AUTO MEDICAL PAYMENTS COVERAGE as follows:

1. The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition does not apply.
2. The reference in OTHER INSURANCE in the Business Auto and Garage Coverage Forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 17 12 93

INDIVIDUAL NAMED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

If you are an individual, the policy is changed as follows:

A. CHANGES IN LIABILITY COVERAGE

1. The FELLOW EMPLOYEE Exclusion does not apply to "bodily injury" to your or any "family member's" fellow employees.

2. **PERSONAL AUTO COVERAGE**

While any "auto" you own of the "private passenger type" is a covered "auto" under LIABILITY COVERAGE:

- a. The following is added to WHO IS AN INSURED:

"Family members" are "insureds" for any covered "auto" you own of the "private passenger type" and any other "auto" described in paragraph 2.b. of this endorsement.

- b. Any "auto" you don't own is a covered "auto" while being used by you or by any "family member" except:

- (1) Any "auto" owned by any "family members."

- (2) Any "auto" furnished or available for your or any "family member's" regular use.

- (3) Any "auto" used by you or by any of your "family members" while working in a business of selling, servicing, repairing or parking "autos."

- (4) Any "auto" other than an "auto" of the "private passenger type" used by you or any of your "family members" while working in any other business or occupation.

- c. The POLLUTION Exclusion and, if forming a part of the policy, the NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM), does not apply to any covered "auto" of the "private passenger type."

- d. The following exclusion is added and

applies only to "private passenger type" covered "autos":

This insurance does not apply to:

"Bodily injury" or "property damage" for which an "insured" under the policy is also an "insured" under a nuclear energy liability policy or would be an "insured" but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to "autos" registered or principally garaged in New York.

B. CHANGES IN PHYSICAL DAMAGE PERSONAL AUTO COVERAGE

While any "auto" you own of the "private passenger type" is a covered "auto" under PHYSICAL DAMAGE COVERAGE, a "non-owned auto" will also be considered a covered "auto." However, the most we will pay for "loss" to a "non-owned auto" which is a "trailer" is \$500.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. The words "you" and "your" include your spouse if a resident of the same household except for notice of cancellation.
3. When the phrase "private passenger type" appears in quotation marks, it includes any covered "auto" you own of the pickup or van type not used for business purposes, other than farming or ranching.
4. "Non-owned auto" means any "private passenger type" "auto," pickup, or van or "trailer" not owned by or furnished or available for the regular use of you or any "family member," while it is in the custody of or being operated by you or any "family member."

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 44 12 93

LOSS PAYABLE CLAUSE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered "auto."
- B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.
- C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition.
Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy, we will mail you and the loss payee the same advance notice.
- D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

SOUTHERN CALIFORNIA CENTRAL CREDIT UNION
PO BOX 8990
N HOLLYWOOD CA 91618-8880
RE: 94 JEEP #20255

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

YEAR 2000 OR OTHER COMPUTER-RELATED OR ELECTRONIC DATE OR YEAR PROBLEMS EXCLUSION - GARAGE LIABILITY

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE PART

- A. The following exclusion is added to Paragraph
**B. Exclusions of SECTION II - LIABILITY
COVERAGE:**

2. Exclusions

**Year 2000 or other computer-related
or electronic date or year problems.**

This insurance does not apply to "bodily
injury", "property damage", arising
directly or indirectly out of:

- a. any actual, alleged, or potential "year
2000 or other computer-related or
electronic date or year problem"; or
- b. any advice, consultation, design,
evaluation, inspection, installation,
maintenance, repair, or supervision
done or provided by or for you to
determine, rectify, or test for any
such problem.

- B. The following definitions are added to the
DEFINITIONS SECTION:

1. "Year 2000 or other computer-related or
electronics date or year problem" means
any inadequacy, failure, or malfunction of
any of the following which is or was
caused by the inability to correctly
accept, distinguish, interpret, process, or
recognize the year 2000 or beyond, or
any date in the year 1999, 2000, or
beyond:

- a. Any "computer component,
equipment, program, or system",
whether belonging to any insured or
any other person or organization.

- b. Any other product, or any data,
function, or service, that in any
manner directly or indirectly uses or
relies on such "computer
component, equipment, program, or
system".

2. "Computer component, equipment,
program, or system" means any:

- a. computer application software;
- b. computer hardware, including any
microprocessor or computer chip
that is part of a computer system;
- c. computer network;
- d. computer operating system and
related software;
- e. microprocessor or computer chip
that isn't part of a computer system,
including any embedded chip; or
- f. other computerized or electronic
component or equipment.

POLICY NUMBER DRE0170799

UA 30 15 07 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - NAMED DRIVER

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

You agree with us that any coverage afforded by this policy including our duty to defend under the policy shall not apply nor accrue to the benefit of any insured or any third party claimant while any motor vehicle is being used or operated by the natural person designated by name below:

IRVING ADLEN

Name of Person Excluded

Agreed to by:

SIGNATURE NOT REQUIRED IN CALIFORNIA

Signature of First Named Insured or Named Insured

Type or Title of Named Insured
(Owner/Partner/Corporate Officer)

Date Signed

UA 30 15 07 97

Copyright, United States Fidelity and Guaranty Insurance Company
INSURED

06-02-1999 11:16 AM

POLICY NUMBER DRE0170799

UA 30 16 07 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PUNITIVE/EXEMPLARY DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY FORM
COMMERCIAL AUTOMOBILE COVERAGE FORM
GARAGE COVERAGE FORM

This insurance does not apply to punitive or exemplary damages.

If a suit is brought against you for a claim falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then we shall not be obligated to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

COMMERCIAL LINES POLICY

Legion INSURANCE COMPANY

A STOCK COMPANY
ONE LIBERTY PLACE
1650 MARKET STREET
SUITE 2200
PHILADELPHIA, PA 19103

THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
 - ONE OR MORE COVERAGE FORMS
 - APPLICABLE FORMS AND ENDORSEMENTS

One Logan Square, Philadelphia, PA 19103

POLICY NO.: CP4-0529442

RENEWAL OF NO.: CP3-0251842

Named Insured and Mailing Address (No., Street, Town or City, County, State, Zip Code)

Sam Adlen
Per Form IL 12 01 (11/85)
8103 S Alameda St
Los Angeles CA 90001-4108

Policy Period : From 02-11-1998 to 02-11-1999 12:01 A.M. Standard Time at your mailing address show above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Tow Truck Operator

This policy consists of the following Coverage Parts for which a premium is indicated. This premium may be subject to adjustment.

	Premium
COMMERCIAL AUTO COVERAGE PART	\$ 101,920.00
COMMERCIAL CRIME COVERAGE PART	\$
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$
COMMERCIAL INLAND MARINE COVERAGE PART	\$
COMMERCIAL PROPERTY COVERAGE PART	\$
<u>Inspection Fee</u>	\$ 250.00
	\$
Premium shown is payable:	TOTAL \$ 102,170.00

Premium shown is payable:

\$ 102,170.00 at inception.

\$ 102,170.00 at inception.
_____ at each anniversary (If policy period is more than one year and premium is paid in annual installments)

FORMS AND ENDORSEMENTS

Forms and endorsements applicable to all Coverage Parts: (Show numbers)*

BJP-190-40 (11-94), IL0017 (11-85), IL0270 (02-94), CA0006 (12-90)

*Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations.

Countersigned:

Red Hawk Insurance Services, Inc.
5520 Wellesley Street, Suite 200
La Mesa, CA 91942-4401

By

Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

610002 (11-94)

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KAM / 03-16-1998

INSURED

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and record as they relate to this policy at any time during the

policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the cause of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 70 02 94

CALIFORNIA CHANGES— CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART - EXCEPT COVERAGE FORMS A AND B
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The following provisions are added to the CANCELLATION Common Policy Condition:

7. RESIDENTIAL PROPERTY

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

BUSINESSOWNERS POLICY
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART - FARM PROPERTY COVERAGE FORM

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel such coverage solely because the first Named Insured has accepted our offer of earthquake coverage.
- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) BUSINESSOWNERS POLICY - BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM;
 - (2) COMMERCIAL PROPERTY COVERAGE PART - CAUSES OF LOSS - SPECIAL FORM; or

(3) FARM COVERAGE PART - FARM PROPERTY COVERAGE FORM; Covered Causes of Loss - SPECIAL.

8. ALL POLICIES IN EFFECT FOR MORE THAN 60 DAYS

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a

condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for a reason listed in paragraph B.a.(1) or (2).

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in paragraph B.a.

B. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of paragraphs B.2. and B.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. RESIDENTIAL PROPERTY

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a

residential unit, if such coverage is written under one of the following:

BUSINESSOWNERS POLICY

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART - FARM PROPERTY COVERAGE FORMS:

a. We may elect not to renew such coverage for any reason, except as provided in b. and c. below:

b. We will not refuse to renew such coverage solely because the first Named Insured has accepted our offer of earthquake coverage.

c. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) **BUSINESSOWNERS POLICY - BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM;**

(2) **COMMERCIAL PROPERTY COVERAGE PART - CAUSES OF LOSS - SPECIAL FORM; or**

(3) **FARM COVERAGE PART - FARM PROPERTY COVERAGE FORM; Covered Causes of Loss - SPECIAL.**

3. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph B.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the time frames shown in paragraph B.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

COMMERCIAL AUTO COVERAGE PART GARAGE COVERAGE FORM DECLARATIONS

ITEM ONE-Named Insured and Mailing Address/Policy Period-shown in Policy Declarations. Effective Date:02-11-1998,* 12:01 A.M. Standard Time

Sam Adlen
Per Form IL 12 01 (11/85)
8103 S Alameda St
Los Angeles CA 90001-4108

Form of Business: ☒ Individual ☐ Partnership ☐ Corporation ☐ Other _____

ITEM TWO-SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Garage Coverage Form next to the name of the coverage. Entry of a symbol next to LIABILITY provides coverage for "garage operations."

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Garage Coverage Form shows which autos are covered autos)	LIMIT	PREMIUM				
LIABILITY	27 28 29	<div style="display: flex; justify-content: space-between;"> <div> <p>Each "Accident" "Garage Operations"</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">"Auto" Only</th> <th style="width: 50%;">Other Than "Auto" Only</th> </tr> <tr> <td style="text-align: center;">\$ 1,000,000</td> <td style="text-align: center;">\$ 1,000,000</td> </tr> </table> </div> <div> <p>Aggregate - "Garage Operations"</p> <p style="text-align: center;">Other Than "Auto" Only</p> <p style="text-align: center;">\$ 3,000,000</p> </div> </div>	"Auto" Only	Other Than "Auto" Only	\$ 1,000,000	\$ 1,000,000	\$ Incl.
"Auto" Only	Other Than "Auto" Only						
\$ 1,000,000	\$ 1,000,000						
PERSONAL INJURY PROTECTION (P.I.P.) + +		SEPARATELY STATED IN EACH P.I.P. END. MINUS \$ DEDUCTIBLE	\$				
ADDED P.I.P. (or equivalent added No-fault cov.)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	\$				
PROPERTY PROTECTION INS. (P.P.I.) (Michigan Only)		SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS \$ DEDUCTIBLE FOR EACH ACCIDENT	\$				
MEDICAL PAYMENTS	27	\$ 1,000	\$ Incl.				
UNINSURED MOTORISTS (UM)	27	\$ 60,000	\$ Incl.				
UNDERINSURED MOTORISTS (When not included in UM Coverage)		\$	\$				
GARAGE KEYS	COMPREHENSIVE COVERAGE	30	\$ 60,000 EACH LOCATION MINUS \$ 1,000 DED. FOR EACH COVERED	\$ Incl.			
	SPECIFIED CAUSES OF LOSS COVERAGE		\$	\$			
			\$ 5,000 MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT	\$			
PASSENGER	COLLISION COVERAGE	60	\$ 60,000 EACH LOCATION MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO	\$ Incl.			
	COMPREHENSIVE COVERAGE	27	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DED. APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING + + +	\$ Incl.			
	SPECIFIED CAUSES OF LOSS COVERAGE		\$25 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. + + +	\$			
	COLLISION COVERAGE	27	\$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO. + + +	\$ Incl.			
L	TOWING AND LABOR (Not Available in California)		\$ for each disablement of a private passenger "auto"	\$			
	FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE. + CA0008 (12-90), CA0005 (12-93), CA0143 (02-97), CA9917 (12-93), IL0021 (11-85), CA0302 (12-93), CA0305 (02-97), CA2154 (02-97), CA2155 (02-97), CA2505 (12-93), CA9903 (12-93), 160020 (09-94), IL1201 (11-85), IL1201 (11-85)						
			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">PREMIUM FOR ENDORSEMENTS</td> <td style="text-align: right;">\$ Incl.</td> </tr> <tr> <td>ESTIMATED TOTAL PREMIUM</td> <td style="text-align: right;">\$ Incl.</td> </tr> </table>	PREMIUM FOR ENDORSEMENTS	\$ Incl.	ESTIMATED TOTAL PREMIUM	\$ Incl.
PREMIUM FOR ENDORSEMENTS	\$ Incl.						
ESTIMATED TOTAL PREMIUM	\$ Incl.						

+ Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy

*Inclusion of date optional.

+ + (or equivalent No-fault cov.) + + + See Supplementary Schedule for dealers "autos" and "autos" held for sale by trailer dealers and non-dealers.

THESE DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1
1	8033 S Alameda St, Los Angeles, CA 90001-4108
2	8103 S Alameda St, Los Angeles, CA 90001-4108

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
1	Incl.	Incl.	\$ Incl.	
2	Incl.	Incl.	\$ Incl.	\$ Incl.

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)			Premium for all locations
1	Comprehensive	\$ 60,000	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$ Incl.
	Specified Causes of Loss	\$ 5,000			
	Collision	\$ 60,000	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss:
2	Comprehensive	\$ Incl.	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$ 5,000			Collision:
	Collision	\$ Incl.	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO.	\$ Incl.

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM					\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
1	80 Ford Tractor X98WVGJ8111					Los Angeles, CA			
2	89 GMC Tow 1GDHR34N0KJ504928					Los Angeles, CA			
3	71 Kenworth Tractor 1222230					Los Angeles, CA			
4	61 Strickland Trailer C41597					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s- service r- retail c- comm'l	Size GVW, GCW or Vehicle Sealing Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
1			17,440						
2			6,540						
3			16,190						
4			10,680						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLUSION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou-sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou-sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
1										Not Covered			Not Covered			
2										Not Covered			Not Covered			
3										Not Covered			Not Covered			
4										Not Covered			Not Covered			
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]".

Coverages		Types of "Autos"		Interests Covered			All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale		
		New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee			
Comprehensive		11	11	11	11	11	11		
Specified Causes of Loss		11	11	11	11	11	11		
Collision		11	11	11	11	11	11		
Location No.	Coverages	Limit of Insurance for Each Location					Rates	Premium	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.					\$	
	Specified Causes of Loss	\$						\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.					\$	
	Specified Causes of Loss	\$						\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO						Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES							
		First \$50,000		\$50,001 to \$100,000		Over \$100,000			
									\$
TOTAL PREMIUM							\$		

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1
3	8119 S Alameda St, Los Angeles, CA 90001-4107
4	8123 S Alameda St, Los Angeles, CA 90001-4107

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
3	Incl.	Incl.	\$ Incl.	
4	Incl.	Incl.	\$ Incl.	\$ Incl.

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)			Premium for all locations
3	Comprehensive	\$ Incl.	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDERLISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$ Incl.
	Specified Causes of Loss	\$ 5,000			
	Collision	\$ Incl.	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
4	Comprehensive	\$ Incl.	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDERLISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Collision: \$ Incl.
	Specified Causes of Loss	\$ 5,000			
	Collision	\$ Incl.	MINUS \$ 1,000	DEDUCTIBLE FOR EACH COVERED AUTO.	

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos' you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS	\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM				\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
5	71 Fruehauf Trailer WE261202					Los Angeles, CA			
6	67 Brown Trailer S673584					Los Angeles, CA			
7	81 GMC Tow 1GTGC34M1B2508142					Los Angeles, CA			
8	89 Nissan UD JNAME9754KGE50191					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for lowering all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
5			22,350						
6			9,620						
7			4,460						
8			10,360						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou-sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou-sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
5											Not Covered			Not Covered		
6											Not Covered			Not Covered		
7											Not Covered			Not Covered		
8											Not Covered			Not Covered		
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ % of the Liability Premium	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos,"and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	1 1	1 1	1 1	1 1	1 1	1 1	
Specified Causes of Loss	1 1	1 1	1 1	1 1	1 1	1 1	
Collision	1 1	1 1	1 1	1 1	1 1	1 1	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$
	Specified Causes of Loss	\$					\$
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$
	Specified Causes of Loss	\$					\$
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
TOTAL PREMIUM							\$

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1
5	11590 Tuxford St, Sun Valley, CA 91352-3112
6	11409 Penrose St, Sun Valley, CA 91352-3922

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
5	Incl.	Incl.	\$ Incl.	
6	Incl.	Incl.	\$ Incl.	\$ Incl.

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
5	Comprehensive	\$ Incl. MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$ Incl.
	Specified Causes of Loss	\$ 5,000	
	Collision	\$ Incl. MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss:
6	Comprehensive	\$ Incl. MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$ 5,000	Collision:
	Collision	\$ Incl. MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO.	\$ Incl.

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos' you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

LIFE DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
9	87 Ford Tow 1FDKF3711HKAU6522					Los Angeles, CA			
10	73 Kenworth Tractor 133900					Los Angeles, CA			
11	76 International Tow D0525FHA26710					Los Angeles, CA			
12	74 International Tow 22685DCA17226					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (in Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
9			7,180						
10			16,020						
11			13,730						
12			14,280						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLUSION		TOWING & LABOR	
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
9										Not Covered			Not Covered			
10										Not Covered			Not Covered			
11										Not Covered			Not Covered			
12										Not Covered			Not Covered			
Total Premium		XXX				XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]".

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Specified Causes of Loss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Collision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$
	Specified Causes of Loss	\$					\$
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$
	Specified Causes of Loss	\$					\$
All	Collision	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor
			BLANKET ANNUAL COLLISION RATES				Premium
			First \$50,000	\$50,001 to \$100,000	Over \$100,000		
							\$
TOTAL PREMIUM							\$

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1
7	8520 Telfair Ave, Sun Valley, CA 91352-3927
8	8205 S Alameda St, Los Angeles, CA 90001-4109

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rate Per \$100 of Payroll	Premium	Total Premium
7	Incl.	Incl.	\$ Incl.	
8	Incl.	Incl.	\$ Incl.	\$ Incl.

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)		Premium for all locations
7	Comprehensive	\$ Incl.	MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$ Incl.
	Specified Causes of Loss	\$ 5,000		
	Collision	\$ Incl.	MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss:
8	Comprehensive	\$ Incl.	MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$ 5,000		Collision:
	Collision	\$ Incl.	MINUS \$ 1,000 DEDUCTIBLE FOR EACH COVERED AUTO.	\$ Incl.

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

FIRE DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
13	80 Chevrolet Tow	C15DAAV146547				Los Angeles, CA			
14	78 Ford Tow	N8UFVBB3166				Los Angeles, CA			
15	86 Chevrolet Tow	1GBJC34MXGJ159756				Los Angeles, CA			
16	81 Chevrolet Tow	1GBHC34M1BZ135905				Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Sealing Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
13			8,810						
14			14,120						
15			6,480						
16			6,270						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou- sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou- sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limil per dis- ablement	Premium
13										Not Covered			Not Covered			
14										Not Covered			Not Covered			
15										Not Covered			Not Covered			
16										Not Covered			Not Covered			
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible:																
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals %	\$
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals % of the Liability Premium	\$
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals %	\$ Incl.

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]".

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos,"and Demonstrators	Your Interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
					TOTAL PREMIUM		\$

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision: \$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos' you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

PHYSICAL DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
17	78 Hobbs Trailer C639462					Los Angeles, CA			
18	83 GMC Caballero 1GTCW80H5CR502115					Los Angeles, CA			
19	83 GMC Pickup 1GTEC14F2DJ513249					Los Angeles, CA			
20	84 Chevrolet Pickup 1GTEC14F9DJ130411					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Ltab.	Phy. Damage			
17			12,970						
18			3,400						
19			3,918						
20			3,928						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
17										Not Covered			Not Covered			
18										Not Covered			Not Covered			
19										Not Covered			Not Covered			
20										Not Covered			Not Covered			
Total Premium			XXX				XXX		XXX		XXX			XXX		XXX
Add'l Coverage(s) - Premium, Limit, Deductible:																
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals %	\$
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals % of the Liability Premium	\$
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals %	\$ Incl.

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]".

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale			
	New "autos"	Used "autos," and Demonslrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee					
Comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Specified Causes of Loss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Collision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Location No.	Coverages		Limit of Insurance for Each Location				Rates		Premium	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.					\$		
	Specified Causes of Loss	\$						\$		
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.					\$		
	Specified Causes of Loss	\$						\$		
All	Collision	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium		
			BLANKET ANNUAL COLLISION RATES							
			First \$50,000	\$50,001 to \$100,000	Over \$100,000					
TOTAL PREMIUM								\$		

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive:
	Specified Causes of Loss	\$	\$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss:
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision:
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	THE MOST WE WILL PAY, DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS	\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM				\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
21	79 GMC Pickup TCS339V629480					Los Angeles, CA			
22	77 GMC Pickup TCL2372523438					Los Angeles, CA			
23	70 Cadillac Deville F0127747					Los Angeles, CA			
24	87 Nissan Maxima JN1HU1152HT214322					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Lib.	Phy. Damage			
21			4,710						
22			4,380						
23			7,398						
24			2,000						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90
PART 2 OF 2

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou-sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou-sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
21										Not Covered			Not Covered			
22										Not Covered			Not Covered			
23										Not Covered			Not Covered			
24										Not Covered			Not Covered			
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos,"and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your Interest and the interest of any creditor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$
	Specified Causes of Loss	\$					\$
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$
	Specified Causes of Loss	\$					\$
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
TOTAL PREMIUM						\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS** - Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive:
	Specified Causes of Loss	\$	\$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss:
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision:
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS	\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM				\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
25	89 Chevrolet Pickup 1GDC14K1K2110595					Los Angeles, CA			
26	86 Freightliner Tractor 1FV8Y0Y90GP275999					Los Angeles, CA			
27	88 Ford Ranger 1FTCR14T9JPA64494					Los Angeles, CA			
28	92 Ford Explorer 1FMCU244XXNUE0924					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
25			4,040						
26			15,980						
27			3,330						
28			4,000						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90
PART 2 OF 2

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou-sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou-sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
25										Not Covered			Not Covered			
26										Not Covered			Not Covered			
27										Not Covered			Not Covered			
28										Not Covered			Not Covered			
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]".

Coverages	Types of "Autos"		Interests Covered			All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale	
	New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	1 1	1 1	1 1	1 1	1 1	1 1	
Specified Causes of Loss	1 1	1 1	1 1	1 1	1 1	1 1	
Collision	1 1	1 1	1 1	1 1	1 1	1 1	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
							\$
TOTAL PREMIUM							\$

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Collision: \$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS	\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM				\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
29	91 GMC 1GDG6H1J6MJ522520					Los Angeles, CA			
30	86 GMC 1GDM7D1GXFV632169					Los Angeles, CA			
31	91 Cadillac Deville 1G6CD53B8M4287844					Los Angeles, CA			
32	86 Volvo White 1WUY0CJE2GN114008					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s - service r - retail c - comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
29			10,860						
30			18,710						
31			6,000						
32			18,500						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLUSION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou-sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou-sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
29										Not Covered			Not Covered			
30										Not Covered			Not Covered			
31										1,000 Incl.			1,000 Incl.			
32										Not Covered			Not Covered			
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible:																
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals %	\$
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals % of the Liability Premium	\$
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals %	\$ Incl.

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages		Types of "Autos"		Interests Covered			All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale		
		New "autos"	Used "autos,"and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee			
Comprehensive		11	11	11	11	11	11		
Specified Causes of Loss		11	11	11	11	11	11		
Collision		11	11	11	11	11	11		
Location No.	Coverages	Limit of Insurance for Each Location					Rates	Premium	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.					\$	
	Specified Causes of Loss	\$						\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.					\$	
	Specified Causes of Loss	\$						\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO						Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES							
		First \$50,000	\$50,001 to \$100,000		Over \$100,000				
							TOTAL PREMIUM	\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$

In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision: \$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES		LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING			\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM			\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO			\$	\$
					TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
33	91 International 1HTS027N9MH334511					Los Angeles, CA			
34	92 Cadillac El Dorado 1GGEL13B6NV601612					Los Angeles, CA			
35	92 Cadillac Seville 1GGK553B8NV800996					Los Angeles, CA			
36	84 White Tractor 1WVGDEJG4EN058997					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Sealing Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
33			20,600						
34			4,000						
35			4,000						
36			16,500						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90
PART 2 OF 2

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)															
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLUSION		TOWING & LABOR
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement Premium
33										Not Covered			Not Covered		
34										1,000 Incl.			1,000 Incl.		
35										1,000 Incl.			1,000 Incl.		
36										Not Covered			Not Covered		
Total Premium		XXX				XXX		XXX		XXX			XXX		XXX
Add'l Coverage(s) - Premium, Limit, Deductible: _____															
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.															

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ % of the Liability Premium	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
TOTAL PREMIUM						\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" _____

\$ _____

In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No.1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)		Premium for all locations
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$		
	Collision	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$		Collision: \$
	Collision	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.

☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

FIRE DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
37	88 Grate FB Trailer 1GRDM9022JM083409					Los Angeles, CA			
38	89 Cadillac El Dorado 1G6EL1151KU623199					Los Angeles, CA			
39	89 Cadillac Deville 1G6CD5151K4256526					Los Angeles, CA			
40	88 Ford Pickup 1FTBR10T6JUC40792					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
37			Trailer						
38			3,700						
39			3,700						
40			3,080						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (In Thou- sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou- sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis- ablement	Premium
37										Not Covered			Not Covered			
38										1,000 Incl.			1,000 Incl.			
39										1,000 Incl.			1,000 Incl.			
40										Not Covered			Not Covered			
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible:																
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos,"and Demonslrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any credllor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
							\$
TOTAL PREMIUM							\$

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision: \$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

FIRE AND THEFT DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
41	88 Toyota JT2ST68MXJ0003976					Los Angeles, CA			
42	89 GMC Pickup 1GTF24K6K250217					Los Angeles, CA			
43	84 Ford Pickup 1FTEP15F5EPA70065					Los Angeles, CA			
44	83 Chevrolet Tow 1GCGC34M2DJ152043					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s - service i - retail c - comm'l	Size GVW, GCW or Vehicle Sealing Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
41			2,600						
42			3,000						
43			2,075						
44			6,270						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90
PART 2 OF 2

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)															
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement Premium
41										Not Covered			Not Covered		
42										Not Covered			Not Covered		
43										Not Covered			Not Covered		
44										Not Covered			Not Covered		
Total Premium		XXX				XXX		XXX		XXX			XXX		XXX
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.															

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]".

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos,"and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
TOTAL PREMIUM						\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4 - 0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Collision: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	THE MOST WE WILL PAY, DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS	\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM				\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type Serial Number(S); Vehicle Identification Number (VIN)		Original Cost New	Actual Cost &	NEW (N) USED (U)				
45	87 Mazda Pickup JM2UF1129H0116522					Los Angeles, CA			
46	81 Chevrolet Tow 1GBHC34MXB2135806					Los Angeles, CA			
47	55 Freuhauf Trailer AY177762					Los Angeles, CA			
48	83 Chevrolet Tow 1GBHC34J4DV128866					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
45			2,800						
46			5,590						
47			Trailer						
48			6,270						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90
PART 2 OF 2

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
Covered Auto No.	Limit (in Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (in Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium
45										Not Covered			Not Covered			
46										Not Covered			Not Covered			
47										Not Covered			Not Covered			
48										Not Covered			Not Covered			
Total Premium		XXX				XXX		XXX		XXX			XXX		XXX	
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ %	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale
	New "autos"	Used "autos,"and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
						TOTAL PREMIUM	\$

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision: \$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

PHYSICAL DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
49	79 GMC Tow	TCC339F522511				Los Angeles, CA			
50	69 Hobb Trailer	FHK639803				Los Angeles, CA			
51	89 Ford Taurus	1FABP534XKA179537				Los Angeles, CA			
52	89 Pontiac 6000	1G2AF51W7K6263142				Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s - service r - retail c - comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for lowering all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
49			8,710						
50			Trailer						
51			2,060						
52			3,000						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)															
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement
49										Not Covered			Not Covered		
50										Not Covered			Not Covered		
51										Not Covered			Not Covered		
52										Not Covered			Not Covered		
Total Premium		XXX				XXX		XXX		XXX			XXX		XXX
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.															

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ % of the Liability Premium	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered				All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale	
	New "autos"	Used "autos,"and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee			
Comprehensive	11	11	11	11	11	11		
Specified Causes of Loss	11	11	11	11	11	11		
Collision	11	11	11	11	11	11		
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$	
	Specified Causes of Loss	\$					\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$	
	Specified Causes of Loss	\$					\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO					Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES						
		First \$50,000	\$50,001 to \$100,000	Over \$100,000				
								\$
TOTAL PREMIUM							\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision: \$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, **GARAGEKEEPERS COVERAGE** is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, **GARAGEKEEPERS COVERAGE** is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
53	81 Chevrolet Pickup 1GPGC24M4BS136352					Los Angeles, CA			
54	72 Chevrolet CCE332Z155144					Los Angeles, CA			
55	79 Kenworth 177617SGL					Los Angeles, CA			
56	81 White 1WDXCHUD9BN045783					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
53			2,060						
54			3,040						
55			14,090						
56			6,080						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)															
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per disablement Premium
53										Not Covered			Not Covered		
54										Not Covered			Not Covered		
55										Not Covered			Not Covered		
56										Not Covered			Not Covered		
Total Premium		XXX				XXX		XXX		XXX			XXX		XXX
Add'l Coverage(s) - Premium, Limit, Deductible: _____ *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.															

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals _____ %	\$ _____
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals _____ % of the Liability Premium	\$ _____
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals _____ %	\$ Incl. _____

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered			All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale	
	New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee		
Comprehensive	11	11	11	11	11	11	
Specified Causes of Loss	11	11	11	11	11	11	
Collision	11	11	11	11	11	11	
Location No.	Coverages	Limit of Insurance for Each Location				Rates	Premium
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.			\$	
	Specified Causes of Loss	\$				\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO				Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES					
		First \$50,000	\$50,001 to \$100,000	Over \$100,000			
					TOTAL PREMIUM	\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ _____ Additional locations where you store covered "autos" \$ _____ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rate Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive: \$
	Specified Causes of Loss	\$	
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss: \$
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision: \$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

PHYSICAL DAMAGE INSURANCE					
COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE		ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS		\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION		\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
				TOTAL PREMIUM	\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type	Serial Number(S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)				
57	91 Chevrolet 1GNC518Z3M8110412					Los Angeles, CA			
58	87 BMW WBABB1302H1925984					Los Angeles, CA			
59	94 Jeep Cherokee 1J4GZ78Y6RC220255					Los Angeles, CA			
60	85 GMC 1GTT9K4CXFV607859					Los Angeles, CA			
Covered Auto No.	CLASSIFICATION								
	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
57			3,040						
58			2,010						
59			5,066						
60			6,000						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90
PART 2 OF 2

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																	
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR		
Covered Auto No.	Limit (In Thousands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thousands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium	
57										Not Covered			Not Covered				
58										1,000 Incl.			1,000 Incl.				
59										1,000 Incl.			1,000 Incl.				
60										Not Covered			Not Covered				
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX		
Add'l Coverage(s) - Premium, Limit, Deductible:																	
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																	

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals %	\$
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals %	\$
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals %	\$ Incl.

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered					
	New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee	All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale		
Comprehensive	II	II	II	II	II	II		
Specified Causes of Loss	II	II	II	II	II	II		
Collision	II	II	II	II	II	II		
Location No.	Coverages		Limit of Insurance for Each Location			Rates	Premium	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$	
	Specified Causes of Loss	\$					\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$	
	Specified Causes of Loss	\$					\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO					Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES						
		First \$50,000	\$50,001 to \$100,000	Over \$100,000				
								\$
TOTAL PREMIUM						\$		

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

[] **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: [] **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

[] **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

[] **NONREPORTING BASIS**. Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

CA 00 08 12 90

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE PART 1 OF 2

ITEM THREE - LOCATIONS WHERE YOU CONDUCT GARAGE OPERATIONS.

Loc. No.	Address - state your main business location as Location No. 1

ITEM FOUR - LIABILITY COVERAGE - PAYROLL RATING BASIS FOR YOUR PREMISES AND OPERATIONS AND NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SIX FOR THE LIABILITY PREMIUMS FOR THE COVERED AUTOS YOU HIRE OR BORROW. REFER TO ITEM SEVEN FOR COVERED AUTOS YOU OWN.

Location No.	Estimated Payroll	Rates Per \$100 of Payroll	Premium	Total Premium
			\$	
			\$	\$

ITEM FIVE - GARAGEKEEPERS COVERAGES AND PREMIUMS.

Location No.	Coverages	Limit of Insurance For Each Location (Absence of a limit or deductible below means that the corresponding ITEM TWO limit or deductible applies)	Premium for all locations
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	Comprehensive:
	Specified Causes of Loss	\$	\$
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	Specified Causes of Loss:
	Comprehensive	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDELISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.	\$
	Specified Causes of Loss	\$	Collision:
	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.	\$

GARAGEKEEPERS COVERAGE applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by "[X]."

DIRECT COVERAGE OPTIONS

- ☐ **EXCESS INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the interest of the covered "auto's" owner.
- ☐ **PRIMARY INSURANCE.** If this box is checked, GARAGEKEEPERS COVERAGE is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a covered "auto" and is primary insurance.

ITEM SIX - SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS. LIABILITY COVERAGE - RATING BASIS, COST OF HIRE.

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB. COV. IS PRIMARY)	PREMIUM
				\$
				\$
				\$
TOTAL PREMIUM				\$

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including 'autos" you borrow or rent from your partners or your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		\$	\$
SPECIFIED CAUSES OF LOSS	\$ WHICHEVER IS LESS, MINUS \$25 DEDUCTIBLE FOR ALL COVERED AUTO, FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		\$	\$
COLLISION	\$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR ALL COVERED AUTO		\$	\$
TOTAL PREMIUM				\$

ITEM SEVEN - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type Serial Number(S); Vehicle Identification Number (VIN)		Original Cost New	Actual Cost &	NEW (N) USED (U)				
61	89 Cadillac 1G6EL115XKU609222					Los Angeles, CA			
62	93 Freightliner Tractor 1FUYDXB4PP480537					Los Angeles, CA			
63	78 Front Flatbed Trailer 30244					Los Angeles, CA			
	CLASSIFICATION								
Covered Auto No.	Radius of Operation (In Miles)	Business use s = service r = retail c = comm'l	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
					Liab.	Phy. Damage			
61			3,060						
62			17,840						
63			12,080						

INSURED

GARAGE COVERAGE FORM - NON-DEALERS' AND TRAILER DEALERS'

POLICY NUMBER: CP4-0529442

SUPPLEMENTARY SCHEDULE - (Continued)

CA 00 08 12 90
PART 2 OF 2

ITEM SEVEN (Cont'd)

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																	
	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED. PAY.		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR		
Covered Auto No.	Limit (In Thou-sands)	Premium	Limit* minus ded. shown below	Premium	Limit* Premium	Limit* minus ded. shown below	Premium	Limit (In Thou-sands)	Premium	Limit** minus ded. shown below	Premium	Limit** Premium	Limit** minus ded. shown below	Premium	Limit per dis-ablement	Premium	
61										Not Covered			Not Covered				
62										Not Covered			Not Covered				
63										Not Covered			Not Covered				
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX		
Add'l Coverage(s) - Premium, Limit, Deductible:																	
*Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO.																	

ITEM EIGHT - MEDICAL PAYMENTS COVERAGE - PREMISES AND OPERATIONS - NONOWNED AUTOS USED IN YOUR BUSINESS. REFER TO ITEM SEVEN FOR MEDICAL PAYMENTS PREMIUMS FOR COVERED AUTOS YOU OWN.

Coverage	Premium Determination	Premium
Auto Medical Payments Only	Auto Medical Payments Premium equals %	\$
Premises and Operations Medical Payments (Does not apply to bodily injury caused by any auto)	Premises and Operations Medical Payments Premium equals % of the Liability Premium	\$
Premises and Operations and Auto Medical Payments	Premises and Operations and Auto Medical Payments Premium equals %	\$ Incl.

ITEM NINE - PHYSICAL DAMAGE COVERAGE - TYPES OF COVERED AUTOS AND INTERESTS IN THESE AUTOS - PREMIUMS - REPORTING OR NONREPORTING BASIS.

The PHYSICAL DAMAGE COVERAGE provisions of the Garage Coverage Form relating to dealers apply to those autos held for sale by non-dealers and trailer dealers. Each of the following PHYSICAL DAMAGE coverages that is indicated in ITEM TWO applies only to the types of "autos" and interests indicated below by "[X]."

Coverages	Types of "Autos"		Interests Covered			All interests in any "auto" not owned by you or any creditor while in your possession on consignment for sale		
	New "autos"	Used "autos," and Demonstrators	Your interest in covered "autos" you own	Your interest only in financed covered "autos"	Your interest and the interest of any creditor named as a loss payee			
Comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Specified Causes of Loss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Collision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Location No.	Coverages		Limit of Insurance for Each Location			Rates	Premium	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$	
	Specified Causes of Loss	\$					\$	
	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM SUBJECT TO MAXIMUM DEDUCTIBLE FOR ALL SUCH LOSS IN ANY ONE EVENT.				\$	
	Specified Causes of Loss	\$					\$	
All	Collision	\$ MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO					Adjustment Factor	Premium
		BLANKET ANNUAL COLLISION RATES						
		First \$50,000	\$50,001 to \$100,000	Over \$100,000				
						TOTAL PREMIUM	\$	

Our Limit of Insurance for "loss" at locations other than those stated in ITEM THREE.

\$ Additional locations where you store covered "autos" \$ In transit

PREMIUM BASIS - Reporting (Quarterly or Monthly or Nonreporting) (Indicate Basis Agreed Upon by "[X]").

☐ **REPORTING BASIS** (Quarterly or Monthly) as indicated below by "[X]".

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "auto" you have furnished or made available to yourself, your executives, your employees or family members and other Class II - Non-Employees, and covered "autos" that are temporarily displayed or stored at locations other than those stated in ITEM THREE above. For your main sales location you must include the total value of all service vehicles.

YOUR REPORTING BASIS IS: ☐ **QUARTERLY** - You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

☐ **MONTHLY** - You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

☐ **NONREPORTING BASIS.** Stated limit of insurance shown above applies.

Loss Payee - Any loss is payable as interest may appear to you and:

INSURED

GARAGE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI - DEFINITIONS.

SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos." The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos."

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL	DESCRIPTION
--------	-------------

21 = ANY "AUTO."

22 = OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.

23 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.

24 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.

25 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.

26 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state

uninsured motorists requirement.

27 = SPECIFICALLY DESCRIBED "AUTOS." Only those "autos" described in ITEM SEVEN of the Non-Dealers' and Trailer Dealers' Supplementary Schedule or ITEM NINE of the Dealers' Supplementary Schedule for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in ITEM SEVEN or ITEM NINE).

28 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your employees or partners or members of their households.

29 = NON-OWNED "AUTOS" USED IN YOUR GARAGE BUSINESS. Any "auto" you do not own, lease, hire, rent or borrow used in connection with your garage business described in the Declarations. This includes "autos" owned by your employees or partners or members of their households while used in your garage business.

30 = "AUTOS" LEFT WITH YOU FOR SERVICE, REPAIR, STORAGE OR SAFEKEEPING. Any customer's "auto" while left with your "garage operations" for service, repair, storage or safekeeping. Customers include your employees or members of their households who pay for the services performed.

31 = DEALERS "AUTOS" AND "AUTOS" HELD FOR SALE BY NON-DEALERS OR TRAILER DEALERS (PHYSICAL DAMAGE COVERAGES). Any "autos" and the interests in these "autos" described in ITEM SEVEN of the Dealers' Supplementary Schedule or ITEM NINE of the Non-Dealers' and Trailer Dealers' Supplementary Schedule.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols 21, 22, 23, 24, 25 or 26 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.

2. But, if symbol 27 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto"

for that coverage only if:

- a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. CERTAIN TRAILERS AND TEMPORARY SUBSTITUTE AUTOS

If Liability coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2000 pounds or less designed primarily for travel on public roads.
2. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. COVERAGE

"GARAGE OPERATIONS" - OTHER THAN COVERED "AUTOS"

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies caused by an "accident" and resulting from "garage operations" other than the ownership, maintenance or use of covered "autos."

We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable Liability Coverage Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" has been exhausted by payment of judgments or settlements.

"GARAGE OPERATIONS" - COVERED "AUTOS"

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos."

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an

"accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos." However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident."

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense." However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance - "Garage Operations" - Covered "Autos" has been exhausted by payment of judgments or settlements.

1. WHO IS AN INSURED

- a. The following are "insureds" for covered "autos":

(1) You for any covered "auto."

(2) Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

(a) The owner or anyone else from whom you hire or borrow a covered "auto." This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

(b) Your employee if the covered "auto" is owned by that employee or a member of his or her household.

(c) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is your "garage operations."

(d) Your customers, if your business is shown in the Declarations as an "auto" dealership. However, if a customer of yours:

(i) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

(ii) Has other available insurance (whether primary, excess or contingent) less than the compulsory or

financial responsibility law limits where the covered "auto" is principally garaged, they are an "insured" only for the amount by which the compulsory or financial responsibility law limits exceed the limit of their other insurance.

(e) A partner of yours for a covered "auto" owned by him or her or a member of his or her household.

(3) Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

b. The following are "insureds" for "garage operations" other than covered "autos":

(1) You.

(2) Your partners, employees, directors or shareholders but only while acting within the scope of their duties.

2. COVERAGE EXTENSIONS

a. Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "insured":

(1) All expenses we incur.

(2) Up to \$250 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Insurance.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$100 a day because of time off from work.

(5) All costs taxed against the "insured" in any "suit" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-of-State Coverage Extensions.

While a covered "auto" is away from the state where it is licensed we will:

(1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto"

is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. EXPECTED OR INTENDED INJURY

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured." But for "garage operations" other than covered "autos" this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. CONTRACTUAL

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or

b. That the "insured" would have in the absence of the contract or agreement.

3. WORKERS' COMPENSATION

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

"Bodily injury" to:

a. An employee of the "insured" arising out of and in the course of employment by the "insured"; or

b. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph a. above.

c. A person arising out of any:

(1) Refusal to employ that person;

(2) Termination of that person's employment; or

(3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation,

reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- d. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above as directed.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic employees not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract."

5. FELLOW EMPLOYEE

"Bodily injury" to any fellow employee of the "insured" arising out of and in the course of the fellow employee's employment.

6. CARE, CUSTODY OR CONTROL

"Property damage" to or "covered pollution cost or expense" involving:

- a. Property owned, rented or occupied by the "insured";
- b. Property loaned to the "insured";
- c. Property held for sale or being transported by the "insured"; or
- d. Property in the "insured's" care, custody or control.

But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. LEASED AUTOS

Any covered "auto" while leased or rented to others. But this exclusion does not apply to a covered "auto" you rent to one of your customers while their "auto" is left with you for service or repair.

8. POLLUTION EXCLUSION APPLICABLE TO "GARAGE OPERATIONS" - OTHER THAN COVERED "AUTOS"

"Bodily injury," "property damage" or loss, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. At or from any premises, site or location that is or was at any time owned or occupied by, or rented or loaned to, any "insured";
- b. At or from any premises, site or location that is or was at any time used by or for

any "insured" or others for the handling, storage, disposal, processing or treatment of waste;

- c. At or from any premises, site or location on which any "insured" or any contractors or subcontractors working directly or indirectly on any "insured's" behalf are performing operations:

- (1) To test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of the "pollutants"; or

- (2) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured," contractor or subcontractor; or

- d. That are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or any person or organization for whom you may be legally responsible.

Loss, cost or expense means those resulting from any:

- (1) Request, demand or order that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants";

- (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants."

Paragraphs a. and c.(2) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. In this exclusion, a hostile fire means one that becomes uncontrollable, or breaks out from where it was intended to be.

9. POLLUTION EXCLUSION APPLICABLE TO "GARAGE OPERATIONS" - COVERED "AUTOS"

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";

- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants."

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

10. RACING

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

11. WATERCRAFT OR AIRCRAFT

Any watercraft or aircraft except watercraft while ashore on premises where you conduct "garage operations."

12. DEFECTIVE PRODUCTS

"Property damage" to any of your "products," if caused by a defect existing in your "products" or any part of your "products," at the time it was transferred to another.

13. WORK YOU PERFORMED

"Property damage" to "work you performed" if

the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

14. LOSS OF USE

Loss of use of other property not physically damaged if caused by:

- a. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- b. A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed." But this exclusion, 14.b., does not apply if the loss of use was caused by sudden and accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

15. PRODUCTS RECALL

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

16. WAR

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

17. LIQUOR LIABILITY

"Bodily injury" or "property damage" for which an "insured" may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you use the premises in part for the following purposes:

- (1) Serving or furnishing alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license; or
 - (b) Is for the purpose of financial gain or livelihood; or
- (2) Serving or furnishing alcoholic beverages

without a charge, if a license is required for such activity.

C. LIMIT OF INSURANCE

1. AGGREGATE LIMIT OF INSURANCE - "GARAGE OPERATIONS" - OTHER THAN COVERED "AUTOS"

For "garage operations" other than the ownership, maintenance or use of covered "autos," the following applies:

Regardless of the number of "insureds," claims made or "suits" brought or persons or organizations making claims or bringing "suits," the most we will pay for the sum of all damages involving "garage operations" other than "auto" is the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

Damages payable under the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" consist of damages resulting from "garage operations," other than the ownership, maintenance or use of the "autos" indicated in SECTION I of this Coverage Form as covered "autos," including the following coverages, if provided by endorsement:

- a. "Personal injury" liability coverage;
- b. "Advertising injury" liability coverage;
- c. Host liquor liability coverage;
- d. Fire legal liability coverage;
- e. Incidental medical malpractice liability coverage;
- f. Non-owned watercraft coverage;
- g. Broad form products coverage.

Damages payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" are not payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Covered "Autos."

Subject to the above, the most we will pay for all damages resulting from all "bodily injury" and "property damage" resulting from any one "accident" is the Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

The Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the

beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos."

2. LIMIT OF INSURANCE - "GARAGE OPERATIONS" - COVERED "AUTOS"

For "accidents" resulting from "garage operations" involving the ownership, maintenance or use of covered "autos," the following applies:

Regardless of the number of covered "autos," "insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" involving a covered "auto" is the Each "Accident" Limit of Insurance - "Garage Operations" - Covered "Autos" for Liability Coverage shown in the Declarations.

Damages and "covered pollution cost or expense" payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Covered "Autos" are not payable under the Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos."

All "bodily injury," "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

D. DEDUCTIBLE

We will deduct \$100 from the damages in any "accident" resulting from "property damage" to an "auto" as a result of "work you performed" on that "auto."

SECTION III - GARAGEKEEPERS COVERAGE

A. COVERAGE

1. We will pay all sums the "insured" legally must pay as damages for "loss" to a covered "auto" or "auto" equipment left in the "insured's" care while the "insured" is attending, servicing, repairing, parking or storing it in your "garage operations" under:

- a. Comprehensive Coverage. From any cause except:

- (1) The covered "auto's" collision with

another object; or

(2) The covered "auto's" overturn.

b. Specified Causes of Loss Coverage. Caused by:

(1) Fire, lightning or explosion;

(2) Theft; or

(3) Mischief or vandalism.

c. Collision Coverage. Caused by:

(1) The covered "auto's" collision with another object; or

(2) The covered "auto's" overturn.

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any loss to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. WHO IS AN INSURED

The following are "insureds" for "loss" to covered "auto's":

a. You.

b. Your partners, employees, directors or shareholders while acting within the scope of their duties as such.

4. COVERAGE EXTENSIONS

Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "insured":

a. All expenses we incur.

b. The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Insurance.

c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$100 a day because of time off from work.

d. All costs taxed against the "insured" in any "suit" we defend.

e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

B. EXCLUSIONS

1. This insurance does not apply to any of the following:

a. Contractual Obligations.

Liability resulting from any agreement by

which the "insured" accepts responsibility for "loss."

b. Theft.

"Loss" due to theft or conversion caused in any way by you, your employees or by your shareholders.

c. Defective Parts.

Defective parts or materials.

d. Faulty Work.

Faulty "work you performed."

2. We will not pay for "loss" to any of the following:

a. Tape decks or other sound reproducing equipment unless permanently installed in a covered "auto."

b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.

c. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "auto" manufacturer for the installation of a radio.

d. Equipment designed or used for the detection or location of radar.

C. LIMIT OF INSURANCE AND DEDUCTIBLE

1. Regardless of the number of covered "autos," "insureds," premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Insurance shown in the Declarations for that location minus the applicable deductibles for "loss" caused by collision, theft or mischief or vandalism.

2. The maximum deductible stated in the Declarations for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by theft or mischief or vandalism.

3. Sometimes to settle a claim or "suit," we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

SECTION IV - PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage. From any cause except:

(1) The covered "auto's" collision with another object; or

- (2) The covered "auto's" overturn.
- b. Specified Causes of Loss Coverage. Caused by:
 - (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism; or
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto."
- c. Collision Coverage. Caused by:
 - (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.

2. Towing - Non-Dealers Only.

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles.

If you carry Comprehensive Coverage for the damaged covered "auto," we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

- 4. Coverage Extension. If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to \$15 per day to a maximum of \$450 for transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."

B. EXCLUSIONS

- 1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other

cause or event that contributes concurrently or in any sequence to the "loss."

a. Nuclear Hazard.

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War or Military Action.

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

- 2. We will not pay for "loss" to any of the following:

- a. Any covered "auto" leased or rented to others unless rented to one of your customers while their "auto" is left with you for service or repair.
- b. Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such contest or activity.
- c. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- d. Equipment designed or used for the detection or location of radar.
- e. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
- f. Any accessories used with the electronic equipment described in paragraph e. above.

Exclusions 2.e. and 2.f. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable

from a housing unit which is permanently installed in the covered "auto" at the time of the "loss," and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or

- b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

- 3. False Pretense. We will not pay for "loss" to a covered "auto" caused by or resulting from:
 - a. Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
 - b. Your acquiring an "auto" from a seller who did not have legal title.
- 4. If your business is shown in the Declarations as an "auto" dealership, we will not pay for:
 - a. Your expected profit.
 - b. "Loss" to any covered "auto" displayed or stored at any location not shown in ITEM THREE of the Declarations if the "loss" occurs more than 45 days after your use of the location begins.
 - c. Under the Collision Coverage, to any covered "auto" while being driven or transported from the point of purchase or distribution to its destination if such points are more than 50 road miles apart.
 - d. Under the Specified Causes of Loss Coverage, to "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.

5. Other Exclusions.

We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- a. Wear and tear, freezing, mechanical or electrical breakdown;
- b. Blowouts, punctures or other road damage to tires.

C. LIMITS OF INSURANCE

- 1. The most we will pay for "loss" to any one covered "auto" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of "loss"; or
 - b. The cost of repairing or replacing the

damaged or stolen property with other property of like kind and quality.

- 2. For those businesses shown in the Declarations as "auto" dealerships, the following provisions also apply:

- a. Regardless of the number of covered "autos" involved in the "loss," the most we will pay for all "loss" at any one location is the amount shown in the Auto Dealers Supplementary Schedule for that location. Regardless of the number of covered "autos" involved in the "loss," the most we will pay for all "loss" in transit is the amount shown in the Auto Dealers Supplementary Schedule for "loss" in transit.

- b. Quarterly or Monthly Reporting Premium Basis. If, on the date of your last report, the actual value of the covered "autos" at the "loss" location exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for the involved location by the value you actually had on the date of your last report.

If the first report due is delinquent on the date of "loss," the most we will pay will not exceed 75 percent of the Limit of Insurance shown in the Auto Dealers Supplementary Schedule for the applicable location.

- c. Non-Reporting Premium Basis. If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit of Insurance shown in the Declarations, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the limit by the total values you actually had when "loss" occurred.

D. DEDUCTIBLE

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations provided that:

1. "Auto" Dealers Only Special Deductible Provisions.

If your business is shown in the Declarations as an "auto" dealership:

- a. The Comprehensive or Specified Causes of Loss Coverage deductible applies only to "loss" caused by theft or mischief or vandalism.
- b. Regardless of the number of covered "autos" damaged or stolen, the per "loss" deductible for Comprehensive or Specified Causes of Loss Coverage

shown in the Declarations is the maximum deductible applicable for all "loss" in any one event caused by any theft or mischief or vandalism.

2. Non-dealers Only Special Deductible Provisions.

If your business is shown in the Declarations as something other than an "auto" dealership, the Comprehensive Coverage deductible does not apply to "loss" caused by fire or lightning.

SECTION V - GARAGE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. LOSS CONDITIONS

1. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire.

The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the "accident" or "loss." Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit."
 - (3) Cooperate with us in the investigation, settlement or defense

of the claim or "suit."

- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. LOSS PAYMENT - PHYSICAL DAMAGE COVERAGES

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair

them.

B. GENERAL CONDITIONS

1. BANKRUPTCY

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured," at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. LIBERALIZATION

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. NO BENEFIT TO BAILEE - PHYSICAL DAMAGE COVERAGES

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. OTHER INSURANCE

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto."

- c. Regardless of the provisions of paragraph a. above, this Coverage Form's Liability coverage is primary for any liability assumed under an "insured contract."

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. PREMIUM AUDIT

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Form, we cover:

- a. "Bodily injury," "property damage" and "losses" occurring; and
- b. "Covered pollution cost or expense" arising out of "accidents" occurring

during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "bodily injury," "property damage," "covered pollution cost or expense" and "losses" while a covered "auto" is being transported between any of these places.

The coverage territory is extended to anywhere in the world if the "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada. The original "suit" for damages resulting from such "bodily injury" or "property damage" must be brought in one of these places.

8. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If this Coverage Form and any other Coverage Form or policy issued to you by us

or any company affiliated with us apply to the same "accident," the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION VI - DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."
- B. "Auto" means a land motor vehicle, trailer or semitrailer.
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

- 1. Any request, demand or order; or
- 2. Any claim or "suit" by or on behalf of a governmental authority demanding

that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants."

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - 1. Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - 2. Otherwise in the course of transit by or on behalf of the "insured";
 - 3. Being stored, disposed of, treated or processed in or upon the covered "auto"; or
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the

"pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants."

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
 - (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- E. "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. "Garage operations" includes the ownership, maintenance or use of the "autos" indicated in SECTION I of this Coverage Form as covered "autos." "Garage operations" also include all operations necessary or incidental to a garage business.
 - F. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
 - G. "Insured contract" means:
 - 1. A lease of premises.
 - 2. A sidetrack agreement.
 - 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad.
 - 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality.
 - 5. That part of any other contract or agreement pertaining to your garage business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
 - 6. An elevator maintenance agreement.
 - 7. That part of any contract or agreement entered into, as part of your garage business, pertaining to the rental or lease, by you or any of your employees, of any "auto." However, such contract or agreement shall not be considered an "insured contract" to

the extent that it obligates you or any of your employees to pay "property damage" to any "auto" rented or leased by you or any of your employees.

An "insured contract" does not include that part of any contract or agreement:

1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b. Giving directions or instructions or failing to give them, if that is the primary cause of the injury or damage.
 2. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
 3. That pertains to the loan, lease or rental of an "auto," to you or any of your employees if the "auto" is loaned, leased or rented with a driver; or
 4. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- H. "Loss" means direct and accidental loss or damage. But for Garagekeepers Coverage only, "loss" also includes any resulting loss of use.
- I. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke,

vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- J. "Products" includes:
- a. The goods or products you made or sold in a garage business; and
 - b. The providing of or failure to provide warnings or instructions.
- K. "Property damage" means damage to or loss of use of tangible property.
- L. "Suit" means a civil proceeding in which:
1. Damages because of "bodily injury," or "property damage" or
 2. A "covered pollution cost or expense," to which this insurance applies, are claimed.
- "Suit" includes:
- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- M. "Trailer" includes semitrailer.
- N. "Work you performed" includes:
- a. Work that someone performed on your behalf; and
 - b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 01 43 02 97

CALIFORNIA CHANGES

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. The OTHER INSURANCE Condition is changed by adding the following:
 - d. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - 1. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing "autos," and
 - 2. The other provides coverage to a person not engaged in that business, and
 - 3. At the time of an "accident," a person described in 2. is operating an "auto" owned by the business described in 1., then that person's liability coverage is primary and the Coverage Form issued to a business described in 1. is excess over any coverage available to that person.
 - e. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:
 - 1. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing "autos," and
 - 2. The other provides coverage to a person not engaged in that business, and
 - 3. At the time of an "accident" an "insured" under the Coverage Form described in 1. is operating an "auto" owned by a person described in 2., then the Coverage Form issued to the business described in 1. is primary and the Liability Coverage issued to a person described in 2. is excess over any coverage available to the business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 17 12 93

INDIVIDUAL NAMED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

If you are an individual, the policy is changed as follows:

A. CHANGES IN LIABILITY COVERAGE

1. The FELLOW EMPLOYEE Exclusion does not apply to "bodily injury" to your or any "family member's" fellow employees.

2. **PERSONAL AUTO COVERAGE**

While any "auto" you own of the "private passenger type" is a covered "auto" under LIABILITY COVERAGE:

- a. The following is added to WHO IS AN INSURED:

"Family members" are "insureds" for any covered "auto" you own of the "private passenger type" and any other "auto" described in paragraph 2.b. of this endorsement.

- b. Any "auto" you don't own is a covered "auto" while being used by you or by any "family member" except:

- (1) Any "auto" owned by any "family members."
- (2) Any "auto" furnished or available for your or any "family member's" regular use.
- (3) Any "auto" used by you or by any of your "family members" while working in a business of selling, servicing, repairing or parking "autos."
- (4) Any "auto" other than an "auto" of the "private passenger type" used by you or any of your "family members" while working in any other business or occupation.

- c. The POLLUTION Exclusion and, if forming a part of the policy, the NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM), does not apply to any covered "auto" of the "private passenger type."

- d. The following exclusion is added and

applies only to "private passenger type" covered "autos":

This insurance does not apply to:

"Bodily injury" or "property damage" for which an "insured" under the policy is also an "insured" under a nuclear energy liability policy or would be an "insured" but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to "autos" registered or principally garaged in New York.

B. CHANGES IN PHYSICAL DAMAGE PERSONAL AUTO COVERAGE

While any "auto" you own of the "private passenger type" is a covered "auto" under PHYSICAL DAMAGE COVERAGE, a "non-owned auto" will also be considered a covered "auto." However, the most we will pay for "loss" to a "non-owned auto" which is a "trailer" is \$500.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. The words "you" and "your" include your spouse if a resident of the same household except for notice of cancellation.
3. When the phrase "private passenger type" appears in quotation marks, it includes any covered "auto" you own of the pickup or van type not used for business purposes, other than farming or ranching.
4. "Non-owned auto" means any "private passenger type" "auto," pickup, or van or "trailer" not owned by or furnished or available for the regular use of you or any "family member," while it is in the custody of or being operated by you or any "family member."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 21 11 85

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY
NEW YORK DEPARTMENT OF TRANSPORTATION

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which
 - (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material," if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "Special nuclear material" or "by-product material";

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of ura-

nium or thorium from any ore processed primarily for its "source material" content and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel" or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is

located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 02 12 93

DEDUCTIBLE LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	Policy No.
02 - 11 - 1998 12:01 A.M. standard time	CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by

(Authorized Representative)

SCHEDULE

Liability Deductible	\$ 1,000	Per "Accident"
"Bodily Injury" Deductible	\$ N/A	Per Person
	\$ N/A	Per "Accident"
"Property Damage" Liability	\$ N/A	Per "Accident"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

LIABILITY COVERAGE is changed as follows:

A. LIABILITY COVERAGE DEDUCTIBLE

The damages caused in any one "accident" that would otherwise be payable under LIABILITY COVERAGE will be reduced by the Liability Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

B. BODILY INJURY LIABILITY COVERAGE DEDUCTIBLES

1. Per Person

The damages that would otherwise be payable under LIABILITY COVERAGE for "bodily injury" sustained by any one person, in any one "accident," will be reduced by the "Bodily Injury" Per Person Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

2. Per Accident

The damages that would otherwise be payable under LIABILITY COVERAGE for all "bodily injury" caused in any one "accident" will be reduced by the "Bodily Injury" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

C. PROPERTY DAMAGE LIABILITY COVERAGE DEDUCTIBLE

The damages that would otherwise be payable under LIABILITY COVERAGE for "property damage" caused in any one "accident" will be reduced by the "Property Damage" Per "Accident" Deductible shown in the Schedule prior to the application of the LIMIT OF INSURANCE provision.

D. OUR RIGHT TO REIMBURSEMENT

To settle any claim or suit we will pay all or any part of any deductible shown in the Schedule. You must reimburse us for the deductible or the part of the deductible we paid.

INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 05 02 97

CALIFORNIA CHANGES - WAIVER OF COLLISION DEDUCTIBLE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by	

(Authorized Representative)

SCHEDULE

Waiver of Collision Deductible	
Designation or Description of Covered "Auto"	Premium
31) 91 Cadillac Deville #87844	\$ Incl.
34) 92 Cadillac El Dorado #01612	
35) 92 Cadillac Seville #00996	
38) 89 Cadillac El Dorado #23199	
39) 89 Cadillac Deville #56526	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. When PHYSICAL DAMAGE COVERAGE provides coverage for a "loss" to a covered "auto" caused by its collision or upset, and:

1. The "loss" involves an "uninsured motor vehicle"; and
2. You are legally entitled to recover the full amount of your "loss" from the owner or operator of the "uninsured motor vehicle"; and
3. The Schedule indicates that the Waiver Of Collision deductible provision applies to the covered "auto"; then

We will pay the full deductible. Subject to the above, if you are legally entitled to recover only a percentage of your "loss," we will pay that percentage of your deductible. However, if the amount of the "loss" is less than your deductible, we will pay the percentage of the "loss" that you are legally entitled to recover. In no event will we pay more than the amount of the "loss."

B. CONDITIONS

1. The following is added to the CONDITIONS section:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. The arbitration must be formally instituted by the "insured" within one year from the date of the "accident." Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

2. Paragraph 2.a. of the DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS Loss Condition is replaced as follows:

- a. You must report the "accident" or "loss" to us or our agent within ten business

INSURED

days. You must tell us how, when and where the "loss" happened. You must assist in obtaining names and addresses of any injured persons and witnesses.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. For Physical Damage Coverage:

a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit, other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

b. "Uninsured motor vehicle" means a land motor vehicle or trailer which is involved in a collision with your covered "auto" and for which:

- (1) No liability bond or policy at the time of an "accident" provides at least the amount required for property damage liability by the California Financial Responsibility Law; or

- (2) The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- (1) The owner or operator of that vehicle must be identified; or
- (2) The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- (1) Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- (2) Owned by a governmental unit or agency; or
- (3) Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 05 02 97

CALIFORNIA CHANGES - WAIVER OF COLLISION DEDUCTIBLE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

Waiver of Collision Deductible	
Designation or Description of Covered "Auto"	Premium
58) 87 BMW #25984	\$ Incl.
59) 94 Jeep Cherokee #20255	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. When PHYSICAL DAMAGE COVERAGE provides coverage for a "loss" to a covered "auto" caused by its collision or upset, and:

1. The "loss" involves an "uninsured motor vehicle"; and
2. You are legally entitled to recover the full amount of your "loss" from the owner or operator of the "uninsured motor vehicle"; and
3. The Schedule indicates that the Waiver of Collision deductible provision applies to the covered "auto"; then

We will pay the full deductible. Subject to the above, if you are legally entitled to recover only a percentage of your "loss," we will pay that percentage of your deductible. However, if the amount of the "loss" is less than your deductible, we will pay the percentage of the "loss" that you are legally entitled to recover. In no event will we pay more than the amount of the "loss."

B. CONDITIONS

1. The following is added to the CONDITIONS section:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. The arbitration must be formally instituted by the "insured" within one year from the date of the "accident." Each party will bear the expenses of the arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

2. Paragraph 2.a. of the DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS Loss Condition is replaced as follows:

- a. You must report the "accident" or "loss" to us or our agent within ten business

INSURED

days. You must tell us how, when and where the "loss" happened. You must assist in obtaining names and addresses of any injured persons and witnesses.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. For Physical Damage Coverage:

a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit, other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

b. "Uninsured motor vehicle" means a land motor vehicle or trailer which is involved in a collision with your covered "auto" and for which:

- (1) No liability bond or policy at the time of an "accident" provides at least the amount required for property damage liability by the California Financial Responsibility Law; or

- (2) The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- (1) The owner or operator of that vehicle must be identified; or
- (2) The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- (1) Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- (2) Owned by a governmental unit or agency; or
- (3) Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 54 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - BODILY INJURY

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998 12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by

(Authorized Representative)

LIMIT OF INSURANCE

Each "Accident"

SCHEDULE

\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the "insured" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. If this insurance provides a limit in excess of the amounts required by the applicable law where a covered "auto" is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. WHO IS AN INSURED

1. You.
2. If you are an individual, any "family member."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
4. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured."

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in paragraph b. of the definition of "uninsured motor vehicle."
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. "Bodily injury" sustained by:
 - a. You while "occupying" or when struck by any vehicle owned by you that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by you that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage form or policy.
5. "Bodily injury" sustained by you or any "family

member" while "occupying" any vehicle leased by you or any "family member" under a written contract for a period of 6 months or more that is not a covered "auto."

6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
7. "Bodily injury" sustained by an "insured" while "occupying" any "auto" that is rented or leased to that "insured" for use as a public or livery conveyance. However, this exclusion does not apply if the "insured" is in the business of providing public or livery conveyance.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," "insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the LIMIT OF INSURANCE for UNINSURED MOTORISTS COVERAGE shown in the Schedule or Declarations.
2. For a vehicle described in paragraph b. of the definition of "uninsured motor vehicle," our Limit of Insurance shall be reduced by all sums paid because of "bodily injury" by or for anyone who is legally responsible, including all sums paid or payable under this policy's LIABILITY COVERAGE.
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage and any Liability Coverage form or Medical Payments Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

E. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - BODILY INJURY as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved, and
 - b. Send us copies of the legal papers if a "suit" is brought. In addition, a person seeking coverage under paragraph b. of the definition of "uninsured motor vehicle" must:
 - (1) Provide us with a copy of the complaint by personal service or

certified mail if the "insured" brings an action against the owner or operator of such "uninsured motor vehicle,"

- (2) Within a reasonable time, make all pleadings and depositions available for copying by us or furnish us copies at our expense, and
- (3) Provide us with proof that the limits of insurance under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

2. LEGAL ACTION AGAINST US is replaced by the following:

No legal action may be brought against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form and with respect to paragraphs a., c., and d. of the definition of "uninsured motor vehicle" unless within one year from the date of the "accident":

- a. Agreement as to the amount due under this insurance has been concluded;
- b. The "insured" has formally instituted arbitration proceedings against us. In the event that the "insured" decides to arbitrate, the "insured" must formally begin arbitration proceedings by notifying us in writing, sent by certified mail, return receipt requested; or
- c. "Suit" for "bodily injury" has been filed against the uninsured motorist in a court of competent jurisdiction.

Written notice of the "suit" must be given to us within a reasonable time after the "insured" knew, or should have known, that the other motorist is uninsured. In no event will such notice be required before one year from the date of the accident. Failure of the "insured" or his or her representative to give us such notice of the "suit" will relieve us of our obligations under this Coverage Form only if the failure to give notice prejudices our rights.

3. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is replaced by the following:

- a. With respect to paragraphs a., c. and d. of the definition of "uninsured motor vehicle," if we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

- b. With respect to paragraph b. of the definition of "uninsured motor vehicle," if we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.
4. OTHER INSURANCE in the Business Auto and Garage Coverage Forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
5. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party. The arbitration shall be conducted by a single neutral arbitrator. However, disputes

concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS section:

1. "Family member" means your spouse, whether or not a resident of your household, and any other person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or trailer:
 - a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;
 - b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged but that sum is less than the LIMIT OF INSURANCE for this coverage;
 - c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent; or
 - d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with an "insured," a covered "auto" or a vehicle an "insured" is "occupying."

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed or modified for use primarily off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
1) 80 Ford Tractor #J8111	\$ Incl.
2) 89 GMC Tow #04928	
3) 71 Kenworth Tractor #22230	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
- 2. As used in this endorsement:
 - "Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:
 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
4) 61 Strickland Trailer #41597	\$ Incl.
5) 71 Fruehauf Trailer #61202	
6) 67 Brown Trailer #73584	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
- 2. As used in this endorsement:
 - "Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:
 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
7) 81 GMC Tow #08142	\$ Incl.
8) 89 Nissan UD #50191	
9) 87 Ford Tow #U6522	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

- 2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4-0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by	

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
10) 73 Kenworth Tractor #33900	\$ Incl.
11) 76 International Tow #26710	
12) 74 International Tow #17226	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
- If there is other applicable insurance available under one or more policies or provisions of coverage:
- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

- 2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
13) 80 Chevrolet Tow #46547	\$ Incl.
14) 78 Ford Tow #B3166	
15) 86 Chevrolet Tow #59756	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
16) 81 Chevrolet Tow #35905	\$ Incl.
17) 78 Hobbs Trailer #39462	
18) 83 GMC Caballero #02115	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by	

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
19) 83 GMC Pickup #13249	\$
20) 84 Chevrolet Pickup #30411	Incl.
21) 79 GMC Pickup #29480	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

- 2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
22) 77 GMC Pickup #23438	\$ Incl.
23) 70 Cadillac Deville #27747	
24) 87 Nissan Maxima #14322	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
25) 89 Chevrolet Pickup #10595	\$ Incl.
26) 86 Freightliner Tractor #75999	
27) 88 Ford Ranger #64494	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
- If there is other applicable insurance available under one or more policies or provisions of coverage:
- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by	

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
28) 92 Ford Explorer #E0924	\$ Incl.
29) 91 GMC #22520	
30) 86 GMC #32169	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
- 2. As used in this endorsement:
 - "Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:
 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
32) 86 Volvo White #14008	\$ Incl.
33) 91 International #34511	
36) 84 White Tractor #58997	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
37) 88 Grate FB Trailer #83409	\$ Incl.
40) 88 Ford Pickup #40792	
41) 88 Toyota #03976	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
42) 89 GMC Pickup #50217	\$ Incl.
43) 84 Ford Pickup #70065	
44) 83 Chevrolet Tow #52043	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

- 2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
45) 87 Mazda Pickup #16522	\$ Incl.
46) 81 Chevrolet Tow #35806	
47) 55 Freuhauf Trailer #77762	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998 12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
48) 83 Chevrolet Tow #28866	\$ Incl.
49) 79 GMC Tow #22511	
50) 69 Hobb Trailer #39803	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
- 2. As used in this endorsement:
 - "Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:
 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by	

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
51) 89 Ford Taurus #79537	\$ Incl.
52) 89 Pontiac 6000 #63142	
53) 81 Chevrolet Pickup #36352	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
- b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
- c. If the coverage under this Coverage Form is provided:
- (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998 12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)	Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
54) 72 Chevrolet #55144	\$ Incl.
55) 79 Kenworth #17SGL	
56) 81 White #45783	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:

- a. "Auto" means a self-propelled motor vehicle. However, it does not include:

- (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
- (2) A vehicle designed, used or maintained primarily for the transportation of property; or
- (3) "Mobile equipment."

- b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.

- 2. As used in this endorsement:

"Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:

- a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02 - 11 - 1998	12:01 A.M. standard time	Policy No. CP4 - 0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
57) 91 Chevrolet #10412	\$ Incl.
60) 85 GMC #07859	
61) 89 Cadillac #09222	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
- 2. As used in this endorsement:
 - "Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:
 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 55 02 97

CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 02-11-1998	12:01 A.M. standard time	Policy No. CP4-0529442
Named Insured Sam Adlen Per Form IL 12 01 (11/85)		Countersigned by

(Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
62) 93 Freightliner Tractor #80537	\$ Incl.
63) 78 Front Flatbed Trailer #30244	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "property damage" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer of property.
2. Property contained in the covered "auto."
3. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto."
4. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.

5. Punitive or exemplary damages.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," claims made, premiums paid, or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the lesser of the following:
 - a. \$3,500; or
 - b. The actual cash value of the damaged covered "auto" at the time of the "accident."
2. Any amount payable as damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible.

D. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE as follows:

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved;
 - b. Report the "accident" or "loss" to us or to our agent within ten business days; and

- c. Promptly send us copies of the legal papers if a "suit" is brought.
- 2. OTHER INSURANCE in the Business Auto and Garage Coverage forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms is replaced by the following:
If there is other applicable insurance available under one or more policies or provisions of coverage:
 - a. The maximum recovery under all Coverage Forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any Coverage Form or policy providing coverage on either a primary or excess basis.
 - b. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
 - c. If the coverage under this Coverage Form is provided:
 - (1) On a primary basis, we will pay only our share of the "loss" that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
 - (2) On an excess basis we will pay only our share of the "loss" that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.
- 3. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured," the disagreement will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party within one year. The arbitration shall be conducted by a single neutral arbitrator. However, disputes concerning coverage under this endorsement may not be arbitrated. Each party will bear the expenses of the arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

E. ADDITIONAL DEFINITIONS

- 1. The following words and phrases have special meaning for CALIFORNIA UNINSURED MOTORISTS COVERAGE - PROPERTY DAMAGE:
 - a. "Auto" means a self-propelled motor vehicle. However, it does not include:
 - (1) A vehicle transporting persons for hire, compensation or profit other than a van pool vehicle;
 - (2) A vehicle designed, used or maintained primarily for the transportation of property; or
 - (3) "Mobile equipment."
 - b. "Property damage" means injury to or destruction of a covered "auto." However, "property damage" does not include loss of use.
- 2. As used in this endorsement:
 - "Uninsured motor vehicle" means a land motor vehicle or trailer that is involved in a collision with a covered "auto" and for which:
 - a. No liability bond or policy at the time of an "accident" provides at least the amount required for "property damage" liability by the California Financial Responsibility Law; or
 - b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between a covered "auto" and the "uninsured motor vehicle" and:

- a. The owner or operator of the "uninsured motor vehicle" must be identified; or
- b. The "uninsured motor vehicle" must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 25 05 12 93

GARAGE LOCATIONS AND OPERATIONS MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. COVERAGE

We will pay reasonable medical and funeral expenses to or for each person who sustains "bodily injury" to which this coverage applies, caused by an "accident" and resulting from:

1. The maintenance or use of the locations shown in the Declarations and that portion of the roads or other accesses that adjoin these locations for garage business.
2. All operations necessary or incidental to a garage business.

We will pay only those expenses incurred, for services rendered within one year from the date of the "accident."

B. EXCLUSIONS

This insurance does not apply to:

1. "Bodily injury" resulting from the maintenance or use of any "auto."
2. "Bodily injury" to a person, whether or not an

employee of any "insured," if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

3. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
4. "Bodily injury" to any "insured."

C. LIMIT OF INSURANCE

Regardless of the number of persons who sustain "bodily injury" or claims made, the most we will pay for "bodily injury" for each person injured in any one "accident" is the Limit of Medical Payments Coverage shown in the Declarations.

D. CHANGES IN CONDITIONS

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Garage Condition does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 03 12 93

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. COVERAGE

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident." We will pay only those expenses incurred, for services rendered within three years from the date of the "accident."

B. WHO IS AN INSURED

1. You while "occupying" or, while a pedestrian, when struck by an "auto."
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member."
4. "Bodily injury" to your employee arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic employees if not entitled to workers' compensation benefits.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
7. "Bodily injury" to anyone using a vehicle

without a reasonable belief that the person is entitled to do so.

8. "Bodily injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. LIMIT OF INSURANCE

Regardless of the number of covered "autos," "insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the LIMIT OF INSURANCE for AUTO MEDICAL PAYMENTS COVERAGE shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

E. CHANGES IN CONDITIONS

The CONDITIONS are changed for AUTO MEDICAL PAYMENTS COVERAGE as follows:

1. The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition does not apply.
2. The reference in OTHER INSURANCE in the Business Auto and Garage Coverage Forms and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION - PUNITIVE/EXEMPLARY DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
COMMERCIAL AUTOMOBILE COVERAGE FORM
GARAGE COVERAGE FORM

This insurance does not apply to punitive or exemplary damages.

If a suit is brought against you for a claim falling within the coverage provided under the policy, seeking both compensatory and punitive damages, then we shall not be obligated to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number 1

POLICY NUMBER CP4-0529442	POLICY CHANGES EFFECTIVE 02-11-1998	COMPANY Legion Insurance Company
NAMED INSURED Sam Adlen Per Form IL 12 01 (11/85)		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED Commercial Auto Coverage Part		
CHANGES Named Insured: Sam Adlen DBA: Adlen Group Enterprises; Samson Auto Salvage; DBA: Aadlen Brothers Auto Wrecking; U-Pick Parts Auto Wrecking; A Foreign U-Pick U-Pull Wrecking; California Car Hikers; Brothers Auto Sale Brothers Auto Wrecking; American Truck Salvage Lot; Universal Auto Wrecking		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

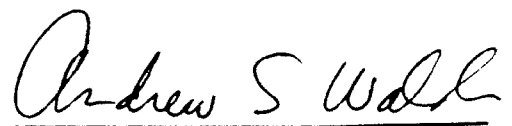
Policy Change
Number 2

POLICY NUMBER CP4-0529442	POLICY CHANGES EFFECTIVE 02-11-1998	COMPANY Legion Insurance Company
NAMED INSURED Sam Adlen Per Form IL 12 01 (11/85)		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED Commercial Auto Coverage Part		
<p style="text-align: center;">CHANGES</p> <p>Coverage afforded by this policy including our duty to defend under the policy shall not apply nor accrue to the benefit of any insured or any third party claimant while any motor vehicle is being used or operated by the natural person designated by name below:</p> <p>Stephanie Adlen</p>		

ATTACH INFORMATION PAGE, POLICY AND ENDORSEMENTS (IF ANY) HERE

In Witness Whereof, we have caused this policy to be executed and attested, and , if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

BY 
PRESIDENT


SECRETARY



RENEWAL CERTIFICATE

SCOTTSDALE INSURANCE COMPANY®

8877 North Gainey Center Drive, Scottsdale, Arizona 85258
A STOCK COMPANYPolicy Number
CLS 414815-1

Item 1. Named Insured and Mailing Address:

SAM ADLEN DBA: SAMSON AUTO SALVAGE
ADLEN GROUP ENTERPRISES, ET AL.
8103 S. ALAMEDA STREET
LOS ANGELES, CA 90001

Agent Name and Address:

MONARCH E&S INSURANCE SERVICES
2667 CAMINO DEL RIO SOUTH
SUITE 307
SAN DIEGO, CA 92108

Agent No: 04042

Item 2. Policy Period

From: 02/11/1998

To: 02/11/1999

12:01 A.M. Standard Time at the address of the NAMED INSURED as stated herein.

In consideration of the renewal premium stated, the above numbered policy is renewed for the period specified, subject to the terms and conditions thereof, except as otherwise specified herein.

Premium
\$ 13,422.00

POLICY FEE:	175.00
STATE TAX:	402.66
STAMPING FEE:	46.98

☐ No changes from previous term.☒ Changes on endorsement below are applicable with above inception date.

- 1) FORM DELETED: UTS-128s (08/96).
- 2) REPLACED WITH: UTS-128s (10-97) PER ATTACHED.
- 3) FORMS AMENDED: CLS-SD-1L (10-93), CLS-SP-1L (10-93)
UTS-71 (2/91) PER ATTACHED.
- 4) ALL OTHER FORMS AND ENDORSEMENTS THAT APPLY TO COVERAGE PART AT TIME OF
ISSUE PER EXPIRING.

Countersigned 03/06/1998 /CL
DATE

By

AUTHORIZED REPRESENTATIVEINTRA INSURANCE, INC.
10670 TREENA STREET, #216
SAN DIEGO, CA 92131



SCOTTSDALE INSURANCE COMPANY®

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

 Policy No. CLS 414815-1 Effective Date: 02/11/1998

12:01 A.M., Standard Time

 Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

Item 1. Business Description: SELF-SERVICE VEHICLE DISMANTLING		
Item 2. Limits of Insurance		
Coverage	Limit of Liability	
Aggregate Limits of Liability	\$ <u>EXCLUDED</u>	Products/Completed Operations Aggregate
	\$ <u>1,000,000</u>	General Aggregate (other than Products/Completed Operations)
Coverage A - Bodily Injury and Property Damage Liability	\$ <u>1,000,000</u>	any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability
	\$ <u>100,000</u>	any one fire subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Fire Damage Liability		
Coverage B - Personal and Advertising Injury Liability	\$ <u>1,000,000</u>	any one person or organization subject to the General Aggregate Limits of Liability
Coverage C - Medical Payments	\$ <u>EXCLUDED</u>	any one person subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Item 3. Retroactive Date		
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: <u>NONE</u>		
<small>(Enter Date or "None" if no Retroactive Date applies)</small>		
Item 4. Form of Business and Location of Premises		
Form of Business:		
<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Organization (other than Partnership or Corporation)		
Location of All Premises You Own, Rent or Occupy:		
1) 8033,8103,8119,8123 S. ALAMEDA ST., #5) 8205 S. ALAMEDA ST., LOS ANGELES, CA; 2) 11590 TUXFORD ST., 3) 11490 PENROSE STREET, 4) 8520 TELFAIR AVE., SUN VALLEY, CA		
Item 5. Forms and Endorsements		
Form(s) and Endorsement(s) made a part of this policy at time of issue:		
See Schedule of Forms and Endorsements		
Item 6. Premiums		
Coverage Part Premium:	\$	13,422
Other Premium:	\$	
Total Premium:	\$	13,422

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



SCOTTSDALE INSURANCE COMPANY®

COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CLS 414815-1 Effective Date: 02/11/1998

12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

Prem. No. ALL	Bldg. No. 1	Class Code 61226	Exposure S) 10,000,000	Basis GROSS SALES	
Class Description: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT.				Premises/Operations	
				Rate	Premium
				1.342	13,422
				Products/Comp Operations	
				Rate	Premium
				EXCLUDED	EXCLUDED
Prem. No.	Bldg. No.	Class Code	Exposure	Basis	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium



Scottsdale Insurance Company®

**ENDORSEMENT
NO.** _____

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

BROAD FORM COMPREHENSIVE GENERAL LIABILITY ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:
COMPREHENSIVE GENERAL LIABILITY INSURANCE

This endorsement, effective **02/11/98**, forms a part of Policy No. **CLS 414815-1**
(12:01 A.M., standard time)

issued to **SAM ADLEN DBA: SAMSON AUTO SALVAGE**

by **SCOTTSDALE INSURANCE COMPANY**

AUTHORIZED REPRESENTATIVE

SCHEDULE

Personal Injury and Advertising Injury Liability

Aggregate Limit shall be the per occurrence bodily injury liability limit unless otherwise indicated herein.

Limit of Liability \$ **1,000,000** Aggregate

Limit of Liability — Fire Legal Liability Coverage:

\$50,000 per occurrence unless otherwise indicated herein: \$ **100,000** per occurrence.

Advance Premium Premium Basis

\$13,422.00 **100** % OF THE TOTAL COMPREHENSIVE GENERAL LIABILITY BODILY INJURY
AND PROPERTY DAMAGE PREMIUM AS OTHERWISE DETERMINED.

\$13,422 MINIMUM PREMIUM

I. CONTRACTUAL LIABILITY COVERAGE

- (A) The definition of **incidental contract** is extended to include any oral or written contract or agreement relating to the conduct of the **named insured's** business.
- (B) The insurance afforded with respect to liability assumed under an **incidental contract** is subject to the following additional exclusions:
 - (1) to **bodily injury or property damage** for which the **insured** has assumed liability under any **incidental contract**, if such injury or damage occurred prior to the execution of the **incidental contract**;
 - (2) if the **insured** is an architect, engineer or surveyor, to **bodily injury or property damage** arising out of the rendering of or the failure to render professional services by such **insured**, including
 - (a) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and
 - (b) supervisory, inspection or engineering services;
 - (3) if the indemnitee of the **insured** is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of
 - (a) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or
 - (b) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury or property damage**;
 - (4) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury or property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
 - (5) to **bodily injury or property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this does not apply to sidetrack agreements.
- (C) The following exclusions applicable to Coverages A (Bodily Injury) and B (Property Damage) do not apply to this Contractual Liability Coverage, (b), (c) (2), (d) and (e).
- (D) The following additional condition applies:

Arbitration
The company shall be entitled to exercise all of the **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

- (A) The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies, sustained by any person or organization and arising out of the conduct of the **named insured's** business, within the **policy territory**, and the company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.
- (B) This insurance does not apply:
- (1) to liability assumed by the **insured** under any contract or agreement;
 - (2) to **personal injury** or **advertising injury** arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **insured**;
 - (3) to **personal injury** or **advertising injury** arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the **named insured** was made prior to the effective date of this insurance;
 - (4) to **personal injury** or **advertising injury** arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the **insured** with knowledge of the falsity thereof;
 - (5) to **personal injury** or **advertising injury** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in the declarations of the policy as a **named insured**;
 - (6) to **advertising injury** arising out of
 - (a) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or
 - (b) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or
 - (c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
 - (7) with respect to **advertising injury**
 - (a) to any **insured** in the business of advertising, broadcasting, publishing or telecasting, or
 - (b) to any injury arising out of any act committed by the **insured** with actual malice.
- (C) **Limits of Liability**
Regardless of the number of (1) **insureds** hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of **personal injury** or **advertising injury**, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of liability stated in this endorsement as "aggregate".
- (D) **Additional Definitions**
"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the **named insured's** advertising activities, if such injury

arises out of libel, slander, defamation, violation of right of privacy, piracy, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period.

- (1) false arrest, detention, imprisonment, or malicious prosecution;
- (2) wrongful entry or eviction or other invasion of the right of private occupancy;
- (3) a publication or utterance
 - (a) of a libel or slander or other defamatory or disparaging material, or
 - (b) in violation of an individual's right of privacy, except publications or utterances in the course of or related to the advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the **named insured** shall not be deemed **personal injury**.

III. HOST LIQUOR LAW LIABILITY COVERAGE

Exclusion (h) does not apply with respect to liability of the **insured** or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the **named insured's** business, provided the **named insured** is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

IV. FIRE LEGAL LIABILITY COVERAGE — REAL PROPERTY

With respect to **property damage** to structures or portions thereof rented to or leased to the **named insured**, including fixtures permanently attached thereto, if such **property damage** arises out of fire

- (A) All of the exclusions of the policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:
- This insurance does not apply to liability assumed by the **insured** under any contract or agreement.
- (B) The limit of **property damage** liability as respects this Fire Legal Liability Coverage — Real Property is \$50,000 each **occurrence** unless otherwise stated in the Schedule of this endorsement.
- (C) The Fire Legal Liability Coverage — Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

V. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (Including Completed Operations)

This insurance for **property damage** liability applies, subject to the following additional provisions:

- (A) Exclusions (k) and (o) are replaced by the following.
- (1) to property owned or occupied by or rented to the **insured**, or, except with respect to the use of elevators, to property held by the **insured** for sale or entrusted to the **insured** for storage or safekeeping;
 - (2) except with respect to liability under a written subrogation agreement or the use of elevators
 - (a) to property while on premises owned by or rented to the **insured** for the purpose of having operations performed on such property by or on behalf of the **insured**;
 - (b) to tools or equipment while being used by the **insured** in performing his operations;
 - (c) to property in the custody of the **insured** which is to be installed, erected or used in construction by the **insured**;
 - (d) to that particular part of any property, not on premises owned by or rented to the **insured**,
 - (e) upon which operations are being performed by or on behalf of the **insured** at the time of the **property damage** arising out of such operations, or

- (ii) out of which any **property damage** arises, or
- (iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the **insured**;

(3) with respect to the **completed operations hazard** and with respect to any classification stated in the policy or in the company's manual as "including completed operations", to **property damage** to work performed by the **named insured** arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

(B) The Broad Form Property Damage Liability Coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **Insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

VI. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

The definition of **bodily injury** is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- (A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
- (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

- (1) expenses incurred by the **insured** for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly;
- (2) any **insured** engaged in the business or occupation of providing any of the services described under VI (A) and (B) above;
- (3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under VI (A) and (B) above.

VII. NON-OWNED WATERCRAFT LIABILITY COVERAGE (under 26 feet in length)

Exclusion (e) does not apply to any watercraft under 26 feet in length provided such watercraft is neither owned by the **named insured** nor being used to carry persons or property for a charge.

Where the **insured** is, irrespective of this coverage, covered or protected against any loss or claim which would otherwise have been paid by the company under this endorsement, there shall be no contribution or participation by this company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise.

VIII. LIMITED WORLDWIDE LIABILITY COVERAGE

The definition of policy territory is amended to include the following:

- 4. Anywhere in the world with respect to **bodily injury**, **property damage**, **personal injury** or **advertising injury** arising out of the activities of any **Insured** permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or possessions or Canada.

Such insurance as is afforded by paragraph 4. above shall not apply to **bodily injury** or **property damage** included within the **completed operations hazard** or the **products hazard**.

IX. ADDITIONAL PERSONS INSURED

As respects **bodily injury**, **property damage**, and **personal injury** and **advertising injury** coverages, under the provision "Persons Insured", the following are added as **Insureds**:

- (A) Spouse—Partnership—If the **named insured** is a partnership, the spouse of a partner but only with respect to the conduct of the business of the **named insured**;
- (B) Employee—Any employee (other than executive officers) of the **named insured** while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:
 - (1) to **bodily injury** or **personal injury** to another employee of the **named insured** arising out of or in the course of his employment;
 - (2) to **personal injury** or **advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;
 - (3) to **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the **named insured**, or by the **named insured** or, if the **named insured** is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

X. EXTENDED BODILY INJURY COVERAGE

The definition of **occurrence** includes any intentional act by or at the direction of the **Insured** which results in **bodily injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

XI. AUTOMATIC COVERAGE—NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The word **Insured** shall include as **named insured** any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to **bodily injury**, **property damage**, **personal injury** or **advertising injury** with respect to which such new organization under this policy is also an **Insured** under any other similar liability or indemnity policy or would be an **insured** under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the **named insured**.

All other terms and conditions of this policy remain unchanged.

DATE

UTS-71 (2-91)

AUTHORIZED REPRESENTATIVE

SCOTTSDALE INSURANCE COMPANY[®]ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPTIONAL PROVISIONS ENDORSEMENT

The following special provisions (indicated by an X) apply to this policy.

SCHEDULE

- ☒ **Bodily Injury, Property Damage, Personal Injury and Advertising Injury Liability Deductible Endorsement**

Coverage	Amount and Basis of Deductible
Bodily Injury Liability	\$ - 0 - per claimant
Property Damage Liability	\$ - 0 - per claimant
Personal Injury Liability	\$ - 0 - per claimant
Advertising Injury Liability	\$ - 0 - per claimant

- ☒ **Service of Suit Clause**

Service of Process will be accepted by: _____

MONARCH E&S INSURANCE SERVICES _____, and

Service of Process will be mailed to: _____

MONARCH E&S INSURANCE SERVICES _____

- ☒ **Minimum and Advance Premium Endorsement**

Minimum Premium \$ 13,422 _____

- ☒ **Minimum Earned Premium**

Minimum Earned Premium 25 _____ % of the advanced premium.

**BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY AND ADVERTISING
INJURY LIABILITY DEDUCTIBLE ENDORSEMENT**

GLS-94s (8-96)

This insurance modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," "property damage," "personal injury," and "advertising injury," however caused.):

NO LIMITATION

1. Our obligation under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages, and the Limits of Insurance applicable to Each Occurrence

or offense for such coverages will be reduced by the amount of such deductible. Aggregate Limits for such coverages shall not be reduced by the application of such deductible amount.

2. The deductible amounts apply to damages and all legal and loss adjustment expenses.
3. The deductible amounts stated in the Schedule above apply under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages, respectively, to all damages because of "bodily injury," or "personal injury" sustained by one person, or to all damages because of "property damage" sustained by one person, any

organization, or association or any individual member of any organization or association as the result of any one "occurrence."

4. The terms of this insurance, including those with respect to our right and duty to defend any "suits" seeking those damages and your duties in the event of an "occurrence," offense, claim or "suit," apply irrespective of the application of the deductible amount.
5. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

UTS-9g (5-96)

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent, Commis-

sioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance).

The officer named in the Schedule above is authorized and directed to accept service of process on behalf of the Company.

Having accepted service of process on behalf of the Company, the officer is authorized to mail the process or a true copy to the individual named in the Schedule above.

GLS-47s(4-97)

MINIMUM AND ADVANCE PREMIUM ENDORSEMENT

This endorsement modifies Conditions provided under the following:

COMMERICAL GENERAL LIABILITY COVERAGE PART

Item b. of the Premium Audit Condition (under SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS) is changed to read:

- b. The advance premium for this Coverage Part is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable to us on

notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, subject to the minimum premium as defined below. For purposes of this policy, the terms advance premium, earned premium, and minimum premium are defined as follows:

Advance Premium - The premium that is stated in the policy Declarations and payable in full by the first Named Insured at the inception of the policy.

Earned Premium - The premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the audit period.

Minimum Premium - The lowest premium for which this insurance will be written for the Policy Period

stated in Item 2. of the Declarations. This minimum premium is equal to 100% (unless a different percentage (%) is shown in the SCHEDULE above) of the advance premium including any premium adjustments made by endorsement to this policy during the policy period. Premium adjustments do not include the audit premium developed for the Policy Period stated in Item 2. of the Declarations.

UTS-199g (8-94)

MINIMUM EARNED PREMIUM

Provision A. 5. of the **CANCELLATION** Condition contained in the **COMMON POLICY CONDITIONS** is deleted in its entirety and replaced with the following:

A. CANCELLATION

5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. However, if this policy is canceled at the request of the Insured, the total retained by the Company shall not be less than the percentage of the advanced premium listed in the Schedule above.

AUTHORIZED REPRESENTATIVE

DATE

Renewal of Number

CLS 326603



SCOTTSDALE INSURANCE COMPANY®

8877 N. Gainey Center Drive, Scottsdale, Arizona 85258

1-800-423-7675 (outside Arizona)

A STOCK COMPANY

Policy Number

CLS 414815

COMMON POLICY DECLARATIONS

ITEM 1. Named Insured and Mailing Address

SAM ADLEN DBA: SAMSON AUTO SALVAGE
ADLEN GROUP ENTERPRISES ET AL.
8103 S. ALAMEDA STREET
LOS ANGELES, CA 90001

Agent Name and Address

MONARCH E&S INSURANCE SERVICES
2540 FOOTHILL BLVD.
SUITE 101
LA CRESCENTA, CA 91214

Agent No. 04032

ITEM 2. Policy Period

From: 02/11/1997

To: 02/11/1998

Term: 365 DAYS

12:01 A.M., Standard Time at your mailing address.

Business Description:

VEHICLE DISMANTLING

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Commercial General Liability Coverage Part	\$ 15,790
Commercial Property Coverage Part	\$ EXCLUDED
Commercial Crime Coverage Part	\$ EXCLUDED
Commercial Inland Marine Coverage Part	\$ EXCLUDED
Commercial Auto (Business Auto or Truckers) Coverage Part	\$ EXCLUDED
Commercial Garage Coverage Part	\$ EXCLUDED
Professional Liability Coverage Part	\$ EXCLUDED
	\$
	\$
	\$
Total Policy Premium:	\$ 15,790.00
POLICY FEE:	\$ 175.00
STATE TAX:	\$ 473.70
STAMPING FEE:	\$ 55.27
TOTAL CHARGE:	\$ 16,493.97

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Countersigned: 04/29/1997

DATE

By

AUTHORIZED REPRESENTATIVE

CL/SD
THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS,
COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

INSURED



SCOTTSDALE INSURANCE COMPANY®

SCHEDULE OF FORMS AND ENDORSEMENTS

Policy No. CLS 414815 Effective Date: 02/11/1997

12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04032

CLS-J-2	(11/95)	Policy Jacket
OPS-D-1	(8/96)	Common Policy Dec
UTS-SP-2	(12/95)	Forms & Endorsement Schedule
UTS-182s	(9/96)	Amendatory Endts
CLS-SD-1L	(10/93)	GL Supplemental Dec
CLS-SP-1L	(10/93)	GL Ext Supplemental Dec
CG 00 01	(1/96)	General Cov Form
CG 21 04	(11/85)	Excl-Prod/Completed Ops
CG 21 16	(11/85)	Excl-Designated Prof Services
CG 21 39	(10/93)	Contractual Limitation
CG 21 44	(11/85)	Designated Premises
GLS-83g	(3/92)	Subsidence Excl
GLS-133s	(9/95)	Known injury or Damage Excl
UTS-128s	(8/96)	Optional Provisions Endt
UTS-137g	(10/95)	Assault & Battery Excl
UTS-180g	(3/92)	Communicable Disease Excl

ADDITIONAL FORMS

UTS-52-G	(1/93)	SELF-INSURED RETENTION ENDT.
UTS-71	(2-91)	BFCGL



ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENTS

This endorsement lists several endorsements that modify your policy as follows:

IL 00 17 11 85

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this policy is cancelled, we will send the first
5. Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

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1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THE POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

CG 21 35 10 93

EXCLUSION - COVERAGE C - MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage C. MEDICAL PAYMENTS (Section I) does not apply and none of the references to it in the Coverage part apply.

The following is added to SUPPLEMENTARY PAYMENTS (Section I):

8. Expenses incurred by the insured for first aid to others at the time of an accident for "bodily injury" to which this insurance applies.

GLS-58s (12-93)

LEAD CONTAMINATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement excludes "occurrences" at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured; or from the operations of the insured, which result in:

- a. "Bodily Injury" arising out of the ingestion, inhalation or absorption of lead in any form;
- b. "Property Damage" arising from any form of lead;
- c. "Personal Injury" arising from any form of lead;
- d. "Advertising Injury" arising from any form of lead;
- e. **Medical Payments** arising from any form of lead;
- f. Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
- g. Any loss, cost or expense arising out of any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

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EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to paragraph 2. Exclusions of **COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I - Coverages):

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2., Exclusions of **COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY** (Section I - Coverages):

This insurance does not apply to:

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

COMMERCIAL GENERAL LIABILITY CONDITIONS AMENDMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The CONDITION entitled **When We Do Not Renew** is deleted in its entirety.

IL 00 21 11 94

NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any

agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material" if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any

"nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

GLS-30s (7-96)

CONTRACTORS SPECIAL CONDITIONS

The following has been added to the policy:

CONTRACTORS SPECIAL CONDITIONS

You will obtain certificates of insurance from all independent contractors providing evidence of:

- 1. limits of liability equal to or greater than the limits provided by this policy; and
- 2. coverage equal to or greater than the coverages provided by this policy.

Failure to comply with this condition does not alter the coverage provided by this policy. However, should you fail to comply, independent contractors will be considered to be your employees and a premium charge will be made accordingly. The "total cost" of all work sublet will be used as payroll for the work performed.

"Total cost" means the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work and all fees, bonuses or commissions paid.

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PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

This policy does not apply to a claim of or indemnification for punitive or exemplary damages.

Punitive or exemplary damages also include any damages awarded pursuant to statute in the form of double, treble or other multiple damages in excess of compensatory damages.

If suit is brought against any insured for a claim falling within coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action; however, the Company will have no obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

ASBESTOS EXCLUSION

The coverage afforded by this policy does not apply to bodily injury, personal injury or property damage arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
2. The use of asbestos in construction or manufacturing any good, product or structure; or
3. The removal of asbestos from any good, product or structure; or
4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense of claim or suit related to any of the above.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

Policy No. CLS 414815 Effective Date: 02/11/1997
12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04032

Item 1. Business Description: <u>VEHICLE DISMANTLING</u>		
Item 2. Limits of Insurance		
Coverage	Limit of Liability	
Aggregate Limits of Liability	\$ <u>EXCLUDED</u>	Products/Completed Operations Aggregate
	\$ <u>1,000,000</u>	General Aggregate (other than Products/Completed Operations)
Coverage A - Bodily Injury and Property Damage Liability	\$ <u>1,000,000</u>	any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability
	\$ <u>100,000</u>	any one fire subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Fire Damage Liability		
Coverage B - Personal and Advertising Injury Liability	\$ <u>1,000,000</u>	any one person or organization subject to the General Aggregate Limits of Liability
Coverage C - Medical Payments	\$ <u>EXCLUDED</u>	any one person subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Item 3. Retroactive Date		
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: <u>NONE</u> <small>(Enter Date or "None" if no Retroactive Date applies)</small>		
Item 4. Form of Business and Location of Premises		
Form of Business:		
<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Organization (other than Partnership or Corporation)		
Location of All Premises You Own, Rent or Occupy:		
1) 8033, 8103, 8119, 8123 S. ALAMEDA, LOS ANGELES, CA 90001; 2) 11590 TUXFORD STREET, 3) 11490 PENROSE STREET, 4) 8520 TELFAIR AVENUE, SUN VALLEY, CA 91352		
Item 5. Forms and Endorsements		
Form(s) and Endorsement(s) made a part of this policy at time of issue:		
See Schedule of Forms and Endorsements		
Item 6. Premiums		
Coverage Part Premium:	\$	15,790
Other Premium:	\$	
Total Premium:	\$	15,790

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CLS 414815 Effective Date: 02/11/1997
12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04032

Prem. No.	Bldg. No.	Class Code	Exposure	Basis
ALL	1	61226	S) 10,000,000	GROSS SALES
Class Description: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT.				Premises/Operations
				Rate Premium
				1.579 \$15,790
				Products/Comp Operations
				Rate Premium
				EXCLUDED EXCLUDED
Prem. No.	Bldg. No.	Class Code	Exposure	Basis
Class Description:				Premises/Operations
				Rate Premium
				Products/Comp Operations
				Rate Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis
Class Description:				Premises/Operations
				Rate Premium
				Products/Comp Operations
				Rate Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis
Class Description:				Premises/Operations
				Rate Premium
				Products/Comp Operations
				Rate Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis
Class Description:				Premises/Operations
				Rate Premium
				Products/Comp Operations
				Rate Premium



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELF-INSURED RETENTION ENDORSEMENT
Loss Adjustment Expense Included in Retention
Limited Reporting

It is understood and agreed that such insurance as is afforded by this policy is subject to the following additional provisions:

1. Our Limit of Liability (as stated in the policy) shall apply in excess of the Self-Insured Retention (as stated in this endorsement) and you agree not to reinsure the retained limit without our knowledge and permission. Our obligation under the policy applies only to the amount excess of the Self-Insured Retention.

Self-Insured Retention: \$1,000,000 Each Occurrence
\$1,000,000 Aggregate

The Self-Insured Retention limit shown above will be reduced by any Loss Adjustment Expense you incur.

2. Whenever used in this policy, Loss Adjustment Expense shall mean expenditures including, but not limited to, investigations, experts, adjustment services, legal services, court costs and such other costs.
3. You shall have the obligation to provide adequate defense and investigation of any claim, and to accept any offer of settlement, deemed reasonable by the Company, within the Self-Insured Retention. In the event you fail to comply with this clause, we will not pay any loss, cost or expense.

We shall have the right but no obligation, in all cases, at our own expense, to assume charge of the defense and/or settlement of any claim, and, upon our written request, you shall tender such portion of the Self-Insured Retention as we may deem necessary to complete the settlement of such claim.

4. The Policy Condition pertaining to your duty in the event of occurrence, claim, or suit is eliminated from the Policy in its entirety and the following wording substituted therefor:

- (a) You shall report to us as soon as reasonably possible each claim or loss for which your estimated amount of net loss is 50% or more of the amount of the Self-Insured Retention and shall also report all cases of serious injury which, notwithstanding the above considerations of liability or coverage, might involve this insurance including but not limited to the following:

- (1) Cord Injury—paraplegia, quadriplegia;
- (2) Amputations—requiring a prosthesis;
- (3) Brain Damage affecting mentality or central nervous system—such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (coma-tose);
- (4) Blindness;
- (5) Burns—involving over 10% of body with third degree or 30% of body with second degree;
- (6) Multiple fractures—involving more than one member or non-union;
- (7) Fracture of both heel bones (fractured bilateral os calcis);
- (8) Nerve Damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- (9) Massive internal injuries affecting body organs;
- (10) Injury to nerves at base of spinal canal (Cauda Equina) or any other back injury resulting in incontinence of bowel and/or bladder;
- (11) Fatalities;
- (12) Any other serious injury which, in your judgment, might involve us.

You shall advise us of the estimated amount of net loss and adjustment expense in connection with each claim or loss and of any subsequent changes in such estimates.

- (b) You shall cooperate with us and, upon our request, assist in making settlement in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to you because of liability with respect to which insurance is afforded under this policy; and you shall attend hearings and trials and assist in securing and giving evidence and obtaining witnesses.

5. During the currency of the insurance you shall provide us quarterly reports of all claims or incidents occurring within the Self-Insured Retention including a description of each claim and amounts paid and/or reserved. Each report is to be submitted within twenty (20) days following the end of each quarterly period and this shall apply in addition to Item 4 of this endorsement.

6. You shall at all times:

- (a) give us or our duly appointed representatives such information and assistance as we may require, and
(b) assist in the defense of any claim, subject to Item 3 of the Self-Insured Retention Endorsement.

7. You shall select, employ and report all claims or losses to

MONARACH E&S INSURANCE SERVICES

2667 CAMINO DEL RIO SOUTH

SUITE 307

SAN DIEGO, CA 92108

for the purpose of providing claims service under your Self-Insured Retention. However, you shall comply with conditions 4 and 6 of this endorsement with respect to reporting certain types of claims directly to us.

This policy will not drop down to assume or satisfy your obligation under the Self-Insured Retention.

I have read, understand and consent to the apportionment of defense costs and other loss adjustment expenses and the use of an acceptable claims adjustment service.

INSURED

DATE

TITLE

AUTHORIZED REPRESENTATIVE

DATE



Scottsdale Insurance Company®

**ENDORSEMENT
NO. _____**

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

BROAD FORM COMPREHENSIVE GENERAL LIABILITY ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE

This endorsement, effective **02/11/97**, forms a part of Policy No. **CLS 414815**
(12:01 A.M., standard time)

issued to **SAM ADLEN DBA: SAMSON AUTO SALVAGE**
ADLEN GROUP ENTERPRISES et al.
by **SCOTTSDALE INSURANCE COMPANY**

AUTHORIZED REPRESENTATIVE

SCHEDULE

Personal Injury and Advertising Injury Liability

Aggregate Limit shall be the per occurrence bodily injury liability limit unless otherwise indicated herein.

Limit of Liability \$ **1,000,000.00** Aggregate

Limit of Liability — Fire Legal Liability Coverage:

\$50,000 per occurrence unless otherwise indicated herein: \$ **100,000.00** per occurrence.

Advance Premium	Premium Basis
\$ 15,790.00	<u>100</u> % OF THE TOTAL COMPREHENSIVE GENERAL LIABILITY BODILY INJURY AND PROPERTY DAMAGE PREMIUM AS OTHERWISE DETERMINED.
\$ 15,790MINIMUM PREMIUM	

I. CONTRACTUAL LIABILITY COVERAGE

- (A) The definition of **incidental contract** is extended to include any oral or written contract or agreement relating to the conduct of the **named Insured's** business.
- (B) The insurance afforded with respect to liability assumed under an **Incidental contract** is subject to the following additional exclusions:
 - (1) to **bodily injury** or **property damage** for which the **insured** has assumed liability under any **Incidental contract**, if such injury or damage occurred prior to the execution of the **Incidental contract**;
 - (2) if the **Insured** is an architect, engineer or surveyor, to **bodily injury** or **property damage** arising out of the rendering of or the failure to render professional services by such **Insured**, including
 - (a) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and
 - (b) supervisory, inspection or engineering services;
 - (3) if the **indemnatee** of the **Insured** is an architect, engineer or surveyor, to the liability of the indemnatee, his agents or employees, arising out of
 - (a) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or
 - (b) the giving of or the failure to give directions or instructions by the indemnatee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury** or **property damage**;
 - (4) to any obligation for which the **Insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
 - (5) to **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this does not apply to sidetrack agreements.
- (C) The following exclusions applicable to Coverages A (Bodily Injury) and B (Property Damage) do not apply to this Contractual Liability Coverage: (b), (c) (2), (d) and (e).
- (D) The following additional condition applies:

Arbitration
The company shall be entitled to exercise all of the **Insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

- (A) The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies, sustained by any person or organization and arising out of the conduct of the **named insured's** business, within the **policy territory**, and the company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.
- (B) This insurance does not apply:
- (1) to liability assumed by the **insured** under any contract or agreement,
 - (2) to **personal injury** or **advertising injury** arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **insured**;
 - (3) to **personal injury** or **advertising injury** arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the **named insured** was made prior to the effective date of this insurance;
 - (4) to **personal injury** or **advertising injury** arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the **insured** with knowledge of the falsity thereof;
 - (5) to **personal injury** or **advertising injury** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in the declarations of the policy as a **named insured**;
 - (6) to **advertising injury** arising out of
 - (a) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or
 - (b) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or
 - (c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
 - (7) with respect to **advertising injury**
 - (a) to any **insured** in the business of advertising, broadcasting, publishing or telecasting, or
 - (b) to any injury arising out of any act committed by the **insured** with actual malice.
- (C) **Limits of Liability**
Regardless of the number of (1) **insureds** hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of **personal injury** or **advertising injury**, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of liability stated in this endorsement as "aggregate".
- (D) **Additional Definitions**
"**Advertising Injury**" means injury arising out of an offense committed during the policy period occurring in the course of the **named insured's** advertising activities, if such injury

arises out of libel, slander, defamation, violation of right of privacy, piracy, or infringement of copyright, title or slogan.

"**Personal Injury**" means injury arising out of one or more of the following offenses committed during the policy period:

- (1) false arrest, detention, imprisonment, or malicious prosecution;
- (2) wrongful entry or eviction or other invasion of the right of private occupancy;
- (3) a publication or utterance
 - (a) of a libel or slander or other defamatory or disparaging material, or
 - (b) in violation of an individual's right of privacy; except publications or utterances in the course of or related to the advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the **named insured** shall not be deemed **personal injury**.

III. HOST LIQUOR LAW LIABILITY COVERAGE

Exclusion (h) does not apply with respect to liability of the **insured** or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the **named insured's** business, provided the **named insured** is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

IV. FIRE LEGAL LIABILITY COVERAGE — REAL PROPERTY

With respect to **property damage** to structures or portions thereof rented to or leased to the **named insured**, including fixtures permanently attached thereto, if such **property damage** arises out of fire:

- (A) All of the exclusions of the policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:
- This insurance does not apply to liability assumed by the **insured** under any contract or agreement.
- (B) The limit of **property damage** liability as respects this Fire Legal Liability Coverage — Real Property is \$50,000 each **occurrence** unless otherwise stated in the Schedule of this endorsement.
- (C) The Fire Legal Liability Coverage — Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.
- ### V. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (Including Completed Operations)
- This insurance for **property damage** liability applies, subject to the following additional provisions:
- (A) Exclusions (k) and (o) are replaced by the following:
- (1) to property owned or occupied by or rented to the **insured**, or, except with respect to the use of elevators, to property held by the **insured** for sale or entrusted to the **insured** for storage or safekeeping;
 - (2) except with respect to liability under a written sidetrack agreement or the use of **elevators**
 - (a) to property while on premises owned by or rented to the **insured** for the purpose of having operations performed on such property by or on behalf of the **insured**,
 - (b) to tools or equipment while being used by the **insured** in performing his operations,
 - (c) to property in the custody of the **insured** which is to be installed, erected or used in construction by the **insured**
 - (d) to that particular part of any property, not on premises owned by or rented to the **insured**,
 - (i) upon which operations are being performed by or on behalf of the **insured** at the time of the **property damage** arising out of such operations, or

- (ii) out of which any **property damage** arises, or
- (iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the **insured**;

(3) with respect to the **completed operations hazard** and with respect to any classification stated in the policy or in the company's manual as "including completed operations", to **property damage** to work performed by the **named insured** arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

(B) The Broad Form Property Damage Liability Coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

VI. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

The definition of **bodily injury** is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- (A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
- (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

- (1) expenses incurred by the **insured** for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly;
- (2) any **insured** engaged in the business or occupation of providing any of the services described under VI (A) and (B) above;
- (3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under VI (A) and (B) above.

VII. NON-OWNED WATERCRAFT LIABILITY COVERAGE (under 26 feet in length)

Exclusion (e) does not apply to any watercraft under 26 feet in length provided such watercraft is neither owned by the **named insured** nor being used to carry persons or property for a charge.

Where the **insured** is, irrespective of this coverage, covered or protected against any loss or claim which would otherwise have been paid by the company under this endorsement, there shall be no contribution or participation by this company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise.

VIII. LIMITED WORLDWIDE LIABILITY COVERAGE

The definition of **policy territory** is amended to include the following:

- 4. Anywhere in the world with respect to **bodily injury, property damage, personal injury or advertising injury** arising out of the activities of any **insured** permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or possessions or Canada.

Such insurance as is afforded by paragraph 4. above shall not apply to **bodily injury** or **property damage** included within the **completed operations hazard** or the **products hazard**.

IX. ADDITIONAL PERSONS INSURED

As respects **bodily injury, property damage, and personal injury and advertising injury** coverages, under the provision "Persons Insured", the following are added as **Insureds**:

- (A) Spouse—Partnership—If the **named insured** is a partnership, the spouse of a partner but only with respect to the conduct of the business of the **named insured**;
- (B) Employee—Any employee (other than executive officers) of the **named insured** while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:
 - (1) to **bodily injury** or **personal injury** to another employee of the **named insured** arising out of or in the course of his employment;
 - (2) to **personal injury** or **advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;
 - (3) to **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the **named insured**, or by the **named insured** or, if the **named insured** is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

X. EXTENDED BODILY INJURY COVERAGE

The definition of **occurrence** includes any intentional act by or at the direction of the **insured** which results in **bodily injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

XI. AUTOMATIC COVERAGE—NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The word **insured** shall include as **named insured** any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to **bodily injury, property damage, personal injury or advertising injury** with respect to which such new organization under this policy is also an **insured** under any other similar liability or indemnity policy or would be an **insured** under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the **named insured**.

All other terms and conditions of this policy remain unchanged.

DATE

UTS-71 (2-91)

AUTHORIZED REPRESENTATIVE

posed of by:

- (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

19. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 04 11 85

EXCLUSION-PRODUCTS-COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 16 11 85

EXCLUSION-DESIGNATED PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of Professional Services:

1. ANY AND ALL PROFESSIONAL SERVICES OFFERED BY OR AS PART OF INSURED'S OPERATIONS.

2.

3.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any professional services shown in the Schedule, this insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" due to the rendering or failure to render any professional service.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 39 10 93

CONTRACTUAL LIABILITY LIMITATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS Section is replaced by the following:

"Insured contract" means:

- A. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract":
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 44 11 85

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:

- 1) 8033, 8103, 8119, 8123 S. ALAMEDA STREET
- 2) 11590 TUXFORD STREET, SUN VALLEY, CA 91352
- 3) 11490 PENROSE STREET, SUN VALLEY, CA 91352
- 4) 8520 TELFAIR AVENUE, SUN VALLEY, CA 91352

Project:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury," "property damage," "personal injury," "advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBSIDENCE EXCLUSION

This policy does not apply to any claim of liability for Bodily Injury or Property Damage caused by, resulting from, attributable or contributed to, or aggravated by the subsidence of land as a result of landslide, mudflow, earth sinking or shifting, resulting from operations of the named insured or any subcontractor of the named insured.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWN INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising from an "occurrence," or "personal injury" or "advertising injury" arising from an offense which was known to any "insured" before the effective date of this policy regardless of whether there is repeated or continued exposure during the policy period or whether the injury or damage continues during the policy period.

For the purposes of this exclusion:

- (a) Injury or damage is known to any "insured" when any "insured" is aware or reasonably should be aware that the injury or damage has occurred; and
- (b) Knowledge of "bodily injury" or "property damage" arising from an "occurrence" or "personal injury" or "advertising injury" arising from an offense constitutes knowledge of all injury or damage caused by the same "occurrence" or offense.

AUTHORIZED REPRESENTATIVE

DATE

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

2. Exclusions.

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" result-

ing from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or

- (2) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract," reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage," provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;

- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. **Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. **Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

f. **Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
 - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the

effects of pollutants.

Subparagraph (d)(i) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

g. **Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and

- (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment."
- h. **Mobile Equipment**
"Bodily injury" or "property damage" arising out of:
 - (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
 - (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.
- i. **War**
"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.
- j. **Damage to Property**
"Property damage" to:
 - (1) Property you own, rent or occupy;
 - (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
 - (3) Property loaned to you;
 - (4) Personal property in the care, custody or control of the insured;
 - (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
 - (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side-track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

- k. **Damage to Your Product**
"Property damage" to "your product" arising out of it or any part of it.
- l. **Damage to Your Work**
"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."
This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.
- m. **Damage to Impaired Property or Property Not Physically Injured**
"Property damage" to "impaired property" or property that has not been physically injured, arising out of:
 - (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
 - (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
 This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.
- n. **Recall of Products, Work or Impaired Property**
Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - (1) "Your product";
 - (2) "Your work"; or
 - (3) "Impaired property";
 if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or

"advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or
- (5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

b. "Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose

business is advertising, broadcasting, publishing or telecasting.

c. Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement.

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a simi-

lar law.

- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard."
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the "suit."
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit," we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against

such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit."

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages), such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties

as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees," other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees," any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law,

any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits."
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence."
6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
- (3) If the loss arises out of the maintenance or

use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amount until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:

- (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."
 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 7. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
 8. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. Paragraph f. does not include that part of any contract or agreement:
 - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
 9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."
 10. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
 but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."
 11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above

that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

13. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

e. Oral or written publication of material that violates a person's right of privacy.

14. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the fol-

lowing times:

(a) When all of the work called for in your contract has been completed;

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

15. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

16. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

17. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

18. "Your product" means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or dis-

SCOTTSDALE INSURANCE COMPANY[®]ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPTIONAL PROVISIONS ENDORSEMENT

The following special provisions (indicated by an "X") apply to this policy.

SCHEDULE

- ☒ **Bodily Injury, Property Damage, Personal Injury and Advertising Injury Liability Deductible Endorsement**

Coverage	Amount and Basis of Deductible
Bodily Injury Liability	\$ - 0 - per claimant
Property Damage Liability	\$ - 0 - per claimant
Personal Injury Liability	\$ - 0 - per claimant
Advertising Injury Liability	\$ - 0 - per claimant

- ☒ **Service of Suit Clause**

Service of Process will be accepted by: _____
 MONARCH E&S INSURANCE SERVICES _____, and

Service of Process will be mailed to: _____
 MONARCH E&S INSURANCE SERVICES _____.

- ☒ **Minimum and Advance Premium Endorsement**

Minimum Premium \$ 15,790 _____

- ☒ **Minimum Earned Premium**

Minimum Earned Premium _____ 25 % of the advanced premium.

GLS-94s (2-93)

**BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY AND ADVERTISING INJURY
 LIABILITY DEDUCTIBLE ENDORSEMENT**

This insurance modifies insurance provided under the following:
 COMMERCIAL GENERAL LIABILITY COVERAGE PART

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," "property damage," "personal injury" and "advertising injury," however caused.):

NO LIMITATION

above as applicable to such coverages, and the limits of insurance applicable to "each occurrence" for such coverages will be reduced by the amount of such deductible. "Aggregate" limits for such coverages shall not be reduced by the application of such deductible amount.

- Our obligation under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule

- The deductible amounts include all legal and loss adjustment expenses.
- The deductible amounts stated in the Schedule apply under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages, respectively, to all damages because of "bodily injury" or "personal injury" sustained by one person, or to all damages because of "property damage"

sustained by one person, any organization, or association or any individual member of any organization or association as the result of any one "occurrence."

4. The terms of this insurance, including those with respect to our right and duty to defend any "suits" seeking those damages and your duties in the event of an "occurrence,"

claim or "suit," apply irrespective of the application of the deductible amount.

5. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

SERVICE OF SUIT CLAUSE

UTS-9g (5-96)

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent, Commissioner

or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance).

The officer named in the Schedule above is authorized and directed to accept service of process on behalf of the Company.

Having accepted service of process on behalf of the Company, the officer is authorized to mail the process or a true copy to the individual named in the Schedule above.

MINIMUM AND ADVANCE PREMIUM ENDORSEMENT

GLS-47s (3-92)

This endorsement modifies Conditions provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

Item **b.** of the **Premium Audit** Condition (under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**) is changed to read:

- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable to us on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, subject to a minimum premium listed in the Schedule above. For purposes of this policy, the

terms advance premium, audit premium, earned premium, and minimum premium are defined as follows:

Advance Premium - The premium that is stated in the policy declarations and payable in full by the first Named Insured at the inception of the policy.

Audit Premium - The premium that is developed by calculating the difference between the advance premium and the earned premium.

Earned Premium - The premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the policy period.

Minimum Premium - The lowest premium for which this insurance will be written for the policy period.

MINIMUM EARNED PREMIUM

UTS-119g (8-94)

Provision **A. 5.** of the **CANCELLATION** Condition contained in the **COMMON POLICY CONDITIONS** is deleted in its entirety and replaced with the following:

A. CANCELLATION

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. However, if this policy is cancelled at the request of the Insured, the total retained by the Company shall not be less than the percentage of the advanced premium listed in the Schedule above.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSAULT AND BATTERY EXCLUSION

This insurance does not apply to Bodily Injury or Property Damage arising from:

- A. Assault and Battery committed by any insured, any employee of any insured, or any other person;
- B. The failure to suppress or prevent Assault and Battery by any person in A. above; or
- C. Any Assault and Battery resulting from or allegedly related to the negligent hiring, supervision or training of any employee of any insured.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

In consideration of the premium charged, it is understood and agreed that no coverage exists, and no duty to defend exists, for claims or suits brought against any **INSURED** for damages arising out of any Communicable Disease, including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS).

It is further agreed this exclusion applies even if such damages arise or are alleged to arise as a result of the **INSURED'S** negligent hiring, placement, training, supervision, act, error or omission.

It is still further agreed that Communicable Disease means an infectious disease transmissible from person to person by direct contact with an affected person or that person's discharges or body fluids.

AUTHORIZED REPRESENTATIVE

DATE

PREMIUM INVOICE

INSURED

AADLEN BROS. AUTO WRECKING, ETAL
11590 TUXFORD STREET
SUN VALLEY, CA 91352

TR	CO	DIV	PRODUCER NO.	
01	1	1	24979	
POLICY TERM				INVOICE DATE
10/8/87		TO	10/8/88	2/17/88
PERIOD OF INVOICE				
10/8/87		TO	10/8/88	

PRODUCER

ALEXANDER & ALEXANDER OF CALIFORNIA, INC.
P.O. BOX 3803
SAN FRANCISCO, CA 94119

CIGA

CIGA \$38

CIGA \$228

POLICY NUMBER		POLICY NUMBER		POLICY NUMBER	
NP 909-3004		NM 909-3005		NN 909-3006	
RENEWAL OF		RENEWAL OF		RENEWAL OF	
NEW		NEW		NEW	
GROSS PREMIUM	COMM RATE	GROSS PREMIUM	COMM RATE	GROSS PREMIUM	COMM RATE
\$260	15	\$17,454	15	\$47,561	15

1F321A (06/87)

COVERAGE

Industrial Indemnity
a Crum and Forster organization

DECLARATIONS

Item	Renewal of: NEW	Date Issued:	Policy No. (See Below)																																				
1.	NAMED INSURED AND ADDRESS AADLEN BROS. AUTO WRECKING, ETAL AS PER ENDT ATTACHED 11590 TUXFORD STREET SUN VALLEY, CA 91352																																						
2.	POLICY PERIOD: From: 10/8/87 To: 10/8/88 2:01 A.M. Standard Time at Your Mailing Address Shown Above.																																						
3.	<table border="1"> <tr> <td> THIS INSURANCE POLICY IS ISSUED BY: <input checked="" type="checkbox"/> Industrial Indemnity Company <input type="checkbox"/> Industrial Indemnity Company of Alaska <input type="checkbox"/> Industrial Indemnity Company of The Northwest <input type="checkbox"/> Industrial Insurance Company of Hawaii, Ltd. <input type="checkbox"/> Industrial Indemnity Company of Idaho <input type="checkbox"/> California Insurance Company <input type="checkbox"/> </td> <td> Producer Name and Address ALEXANDER & ALEXANDER OF CALIFORNIA, INC. P.O. BOX 3803 SAN FRANCISCO, CA 94119 </td> </tr> <tr> <td colspan="2">SAN FRANCISCO, CA</td> </tr> </table>			THIS INSURANCE POLICY IS ISSUED BY: <input checked="" type="checkbox"/> Industrial Indemnity Company <input type="checkbox"/> Industrial Indemnity Company of Alaska <input type="checkbox"/> Industrial Indemnity Company of The Northwest <input type="checkbox"/> Industrial Insurance Company of Hawaii, Ltd. <input type="checkbox"/> Industrial Indemnity Company of Idaho <input type="checkbox"/> California Insurance Company <input type="checkbox"/>	Producer Name and Address ALEXANDER & ALEXANDER OF CALIFORNIA, INC. P.O. BOX 3803 SAN FRANCISCO, CA 94119	SAN FRANCISCO, CA																																	
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SAN FRANCISCO, CA																																							
4.	FORM OF BUSINESS: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/>																																						
5.	BUSINESS DESCRIPTION: AUTO DISMANTLING																																						
6.	In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage part(s) for which a premium is indicated. This premium may be subject to adjustment.																																						
	<table border="1"> <thead> <tr> <th>Coverage Part(s)</th> <th>Policy Number</th> <th>Coverage Part Declarations Form (Number and Edition Date)</th> <th>Advance Premium</th> </tr> </thead> <tbody> <tr> <td>Commercial Property Coverage Part</td> <td>NP 909-3004</td> <td>CP 7000 (5/87)</td> <td>100</td> </tr> <tr> <td>Commercial Inland Marine Coverage Part</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Commercial Crime Coverage Part</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other (Specify) UNCONTROLLED IM</td> <td>NP 909-3004</td> <td>CM 7006 (8/87)</td> <td>160</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Commercial General Liability Coverage Part</td> <td>NM 909-3005</td> <td>CG 7010 (6/87)</td> <td>17,454</td> </tr> <tr> <td>Commercial Auto Coverage Part</td> <td>NN 909-3006</td> <td>CA 7000 (5/87)</td> <td>47,561</td> </tr> </tbody> </table>	Coverage Part(s)	Policy Number	Coverage Part Declarations Form (Number and Edition Date)	Advance Premium	Commercial Property Coverage Part	NP 909-3004	CP 7000 (5/87)	100	Commercial Inland Marine Coverage Part				Commercial Crime Coverage Part				Other (Specify) UNCONTROLLED IM	NP 909-3004	CM 7006 (8/87)	160									Commercial General Liability Coverage Part	NM 909-3005	CG 7010 (6/87)	17,454	Commercial Auto Coverage Part	NN 909-3006	CA 7000 (5/87)	47,561		
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7.	FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date) IX 572(6/87), IL 7500(5/87), IL 0270(3/87), IL 0003(11/85), IL 0021(11/85), IL 1201(11/85)																																						
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RETURN TO
COMPANY
IF CANCELLED

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No. NM 909-3005

Effective Date: 10/8/87

**

NAMED INSURED: AADLEN BROS. AUTO WRECKING

12:01 A.M., Standard Time

LIMITS OF INSURANCE, DEDUCTIBLE AMOUNT, % PARTICIPATION OR LEVEL OF SELF-INSURED RETENTION				
<u> X </u> OCCURRENCE		CLAIMS MADE		
LIMIT OF INSURANCE	PARTICIPATION	DEDUCTIBLE	SIR/ AGGREGATE	
GENERAL AGGREGATE LIMIT (Other Than Products—Completed Operations)	\$ 2,000,000	\$ 1,000	\$	
PRODUCTS COMPLETED OPERATIONS				
AGGREGATE LIMIT	\$ 2,000,000	PER OCCURRENCE	PER OCCURRENCE	
PERSONAL INJURY LIMIT	\$ 1,000,000	_____ %	\$	
ADVERTISING INJURY LIMIT	\$ 1,000,000	PER CLAIM	PER CLAIM	
EACH OCCURRENCE LIMIT	\$ 1,000,000	\$	\$	
FIRE DAMAGE LIMIT	\$ 50,000	ANY ONE FIRE	AGGREGATE	
MEDICAL EXPENSE LIMIT	\$ 5,000	ANY ONE PERSON	AGGREGATE	
ATTORNEY FEE FOR COUNSEL SELECTED BY INSURED	\$ 150	PER HOUR		
RETROACTIVE DATE (CG 75 01 only)				
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: _____				
(Enter Date or "None" if no Retroactive Date applies)				
BUSINESS DESCRIPTION AND LOCATION OF PREMISES				
Form of Business:				
<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation				
Business Description*:				
AUTO DISMANTLING				
Location of All Premises You Own, Rent or Occupy:				
11590 TUXFORD STREET, SUN VALLEY, CA 91352				
8103 SOUTH ALAMEDA STREET, LOS ANGELES, CA 90001				
PREMIUM				
Classification	Code No.	Premium Basis	Rate Pr/CO All Other	Advance Premium Pr/CO All Other
AUTOMOBILE DISMANTLING	91190	P) 156,000	\$ 51.821	\$ 8084
TRANSITION				
	91190	S) 180024	52.049	9370
Total Advance Premium \$				17,454
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)				
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:				
IL 472(6/86), CG 0300(11/85)				

*Information omitted if shown elsewhere in the policy.

**Inclusion of date optional.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Includes copyrighted material of Insurance Services Office, Inc., with its permission. Copyright, Insurance Services Office, Inc., 1983, 1984


Policy Change
Number 2

GU 269
(11-85)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. NM 909-3005	POLICY CHANGES EFFECTIVE 10/8/87	COMPANY INDUSTRIAL INDEMNITY
NAMED INSURED AADLEN BROS. AUTO WRECKING		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED GENERAL LIABILITY		
CHANGES NAMED INSURED: AADLEN BROTHERS AUTO WRECKING SAMSON AUTO SALVAGE BROTHERS FOREIGN CAR AUTO WRECKING UNIVERSAL AUTO WRECKING AMERICAN TRUCK SALES A FOREIGN AUTO WRECKING CALIFORNIA CAR HIKERS BROTHERS AUTO SALES SAM AADLEN, AN INDIVIDUAL		



Authorized Representative Signature



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Coverage	SCHEDULE	Amount and Basis of Deductible
Bodily Injury Liability		\$ per claim
		\$ per occurrence
Property Damage Liability		\$ per claim
	\$ 1,000	per occurrence
Bodily Injury Liability and Property Damage Liability Combined		\$ per claim
		\$ per occurrence

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused): —

1. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages, and the limits of insurance applicable to "each occurrence" for such coverages will be reduced by the amount of such deductible. "Aggregate" limits for such coverages shall not be reduced by the application of such deductible amount.
2. The deductible amounts stated in the Schedule apply as follows:
 - A. **PER CLAIM BASIS** — if the deductible is on a "per claim" basis, the deductible amount applies:
 1. Under the Bodily Injury Liability or Property Damage Liability Coverage, respectively:
 - a. To all damages because of "bodily injury" sustained by one person, or
 - b. To all damages because of "property damage" sustained by one person or organization,
 - as the result of any one "occurrence."
 - B. **PER OCCURRENCE BASIS** — if the deductible is on a "per occurrence" basis, the deductible amount applies:
 1. Under the Bodily Injury Liability or Property Damage Liability Coverage, respectively:
 - a. To all damages because of "bodily injury" as the result of any one "occurrence," or
 - b. To all damages because of "property damage" as the result of any one "occurrence."
 - regardless of the number of persons or organizations who sustain damages because of that "occurrence."

2. Under Bodily Injury Liability and Property Damage Liability Coverage combined to all damages because of "bodily injury" and "property damage" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain damages because of that "occurrence."
3. The terms of this insurance, including those with respect to:
 - (a) Our right and duty to defend any "suits" seeking those damages; and
 - (b) Your duties in the event of an "occurrence," claim, or suitapply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

NAMED INSURED: AADLEN BROS. AUTO WRECKING
EFFECTIVE DATE: 10/8/87
POLICY NUMBER: NM 909-3005

CIGA SURCHARGE

(California Insureds Only)

The premium for this policy includes a surcharge to pay for the claims of California insureds against insolvent insurance companies which were doing business in the state. Under California law, solvent insurance companies are assessed for these claims and are required to pass on the cost to the public by surcharging policies. This surcharge is identified as "CIGA Surcharge" and is shown as a separate item on your policy or bill.

If you have any questions or require additional information about the surcharge, please contact your agent or broker.



NAMED INSURED: AADLEN BROS. AUTO WRECKING
EFFECTIVE DATE: 10/8/87
POLICY NUMBER: NM 909-3005

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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CALIFORNIA CHANGES—CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART—EXCEPT COVERAGE FORMS A AND B
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. The following is added to the CANCELLATION
Common Policy Condition:

**7. POLICIES IN EFFECT FOR MORE THAN 60
DAYS**

- a. If this policy has been in effect for more
than 60 days, or is a renewal of a policy we
issued, we may cancel this policy only upon
the occurrence, after the effective date of
the policy, of one or more of the following:

- (1) Nonpayment of premium, including
payment due on a prior policy we
issued and due during the current
policy term covering the same risks.

- (2) Discovery of fraud or material misrep-
resentation by:

- (a) Any insured or his or her repre-
sentative in obtaining this insur-
ance; or

- (b) You or your representative in
pursuing a claim under this policy.

- (3) A judgment by a court or an admini-
strative tribunal that you have violated
a California or Federal law, having as
one of its necessary elements an act
which materially increases any of the
risks insured against.

- (4) Discovery of willful or grossly negligent
acts or omissions, or of any violations
of state laws or regulations establishing
safety standards, by you or your rep-
resentative, which materially increase
any of the risks insured against.

- (5) Failure by you or your representative to
implement reasonable loss control
requirements, agreed to by you as a
condition of policy issuance, or which
were conditions precedent to our use of
a particular rate or rating plan, if that
failure materially increases any of the
risks insured against.

- (6) A determination by the Commissioner
of Insurance that the:

- (a) Loss of, or changes in, our rein-
surance covering all or part of the
risk would threaten our financial
integrity or solvency; or

- (b) Continuation of the policy coverage
would:

- i. Place us in violation of Cal-
ifornia law or the laws of the
state where we are domiciled;
or

- ii. Threaten our solvency.

- (7) A change by you or your representative
in the activities or property of the
commercial or industrial enterprise,
which results in a materially added,
increased or changed risk, unless the
added, increased or changed risk is
included in the policy.

- b. We will mail or deliver advance written
notice of cancellation, stating the reason
for cancellation, to the first Named
Insured, and to the producer of record, at
least:

(over)



- (1) 10 days before the effective date of cancellation if we cancel for a reason listed in paragraph 7.a.(1) or (2).
- (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in paragraph 7.a.

B. the following is added and supersedes any provisions to the contrary;

NONRENEWAL

1. If we decide not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least:
 - a. 45 days, but not more than 120 days, before the expiration or anniversary date, if the aggregate policy premium is more than \$10,000; or
 - b. 60 days, but not more than 120 days, before the expiration or anniversary date, if the aggregate policy premium is \$10,000 or less.
2. We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph B.1.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made an offer to the first Named Insured, in accordance with the time-frames shown in paragraph B.1, to renew the policy under changed terms or conditions or at a changed premium rate.

NAMED INSURED: AADLEN BROS. AUTO WRECKING
EFFECTIVE DATE: 10/8/87
POLICY NUMBER: NM 909-3005

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. NON-BINDING ARBITRATION

1. If we and an insured do not agree concerning whether coverage is provided under any Coverage Part for a claim made by or against an insured, then either party may make a written demand for arbitration.

When such a demand is made, arbitration shall be a condition precedent to the filing of any civil action relating to or arising out of such disagreements.

2. We and such insured may agree to use one arbitrator. If we and such insured fail to agree upon

one arbitrator, each party will select an arbitrator within 30 days after being notified by the other.

The two arbitrators will select a third. If the two arbitrators cannot agree within 30 days, either may request that selection of the third be made by a judge of a court having jurisdiction.

3. Each party will:

- a. Bear the expenses incurred for a single arbitrator equally; or
- b. Pay the expenses it incurs for the arbitrator it selects; and
- c. Bear the expenses of the third arbitrator equally.

4. Unless both parties agree otherwise, arbitration will take place in the county and state in which your address, as stated in the Declarations, is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the coverage question or dispute.

H. LEGAL ACTION AGAINST US

1. Where we have:

- a. Notified you that a claim by you or a claim or "suit" against you is not covered by this insurance; or
- b. Refused to defend a claim or "suit" against you;

arbitration must be demanded in accordance with the NON-BINDING ARBITRATION Condition of this insurance within 12 months of the date upon which notification was sent to you.

No suit or action by you for damages directly or indirectly arising out of our conduct in refusing to defend or provide coverage shall thereafter be maintained in any court of law or equity unless commenced within 90 days of the date upon which notice of the findings of arbitrators was sent to you.

2. In the event of any breach:

- a. Of this contract of insurance or
- b. Of any express or implied covenant herein, including the implied covenant of good faith and fair dealing;

whether done:

- a. Unreasonably, wantonly, in bad faith or
- b. In conscious disregard of a party's rights

It is agreed that the damages recoverable in a "suit" by the party or parties aggrieved shall be limited to the actual economic loss caused thereby, including all attorneys fees and other litigation costs reasonably incurred in enforcing the contract.

HOWEVER,

Nothing herein shall preclude the recovery of any damages allowed by law for fraud, deceit, or for any intentionally or maliciously inflicted harm.

3. In any "suit" between you and us, brought by either party by reason of a disagreement concerning any rights or obligations under this insurance, the prevailing party shall recover all legal costs, including attorneys fees, reasonably incurred.

4. Definition

"Suit", such as respects this Condition, means:

A civil proceeding in a court of law or equity in which damages to a person or entity are sought arising out of:

- a. "Bodily injury";
- b. "Property damage";
- c. "Personal injury"; or
- d. "Advertising injury";

to which this insurance applies.

"Suit" includes a civil proceeding by you in a court of law or equity to secure or clarify coverage under this insurance after an arbitration decision in our favor.

"Suit" does not include arbitration proceedings.

I. WHEN WE DO NOT RENEW

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the non-renewal not less than 45 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

INDUSTRIAL INDEMNITY COMPANY
Home Office: San Francisco, CA

**INDUSTRIAL INDEMNITY COMPANY
OF ALASKA**

Home Office: Anchorage, AK

**INDUSTRIAL INSURANCE COMPANY
OF HAWAII, LTD.**

Home Office: Honolulu, HI

**INDUSTRIAL INDEMNITY COMPANY
OF IDAHO**

Home Office: Boise, ID

**INDUSTRIAL INDEMNITY COMPANY
OF THE NORTHWEST**

Home Office: Seattle, WA

INDUSTRIAL INSURANCE COMPANY

Home Office: San Francisco, CA

**INDUSTRIAL UNDERWRITERS INSURANCE
COMPANY**

Home Office: Dallas, TX

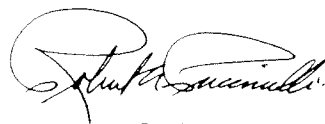
CALIFORNIA INSURANCE COMPANY

Home Office: San Francisco, CA

We have properly issued this policy, but it will not be valid unless countersigned on the General Declarations page by one of our authorized representatives.



Secretary



President
Chairman of the Board

NAMED INSURED: AADLEN BROS. AUTO WRECKING
EFFECTIVE DATE: 10/8/87
POLICY NUMBER: NM 909-3005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY—NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

NAMED INSURED: AADLEN BROS. AUTO WRECKING
EFFECTIVE DATE: 10/8/87
POLICY NUMBER: NM 909-3005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF TRANSPORTATION

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material" if

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured;" or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat

2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "Special nuclear material" or "by-product material,"

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof,

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means

- (a) Any "nuclear reactor,"
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel" or (3) handling, processing or packaging "waste,"

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium-233 or any combination thereof, or more than 250 grams of uranium-235.

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste."

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

NAMED INSURED: AADLEN BROS. AUTO WRECKING
EFFECTIVE DATE: 10/8/87
POLICY NUMBER: NM 909-3005

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to any person or organization qualifying as an Insured under SECTION II — WHO IS AN INSURED. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V—DEFINITIONS.

SECTION I—COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay on behalf of an insured all sums which an insured shall become legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "occurrence" in the "coverage territory", during the policy period.
- b. We will have the right and duty to defend any "suit" seeking damages to which this insurance applies but this right and duty is limited as described in the section entitled DEFENSE OF CLAIMS OR SUITS— COVERAGES A, B AND C.
- c. The amount we will pay in damages is limited as described in SECTION III—LIMITS OF INSURANCE. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in the section entitled SUPPLEMENTARY PAYMENTS— COVERAGES A, B, AND C.

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of an insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. Liability assumed under any contract or agreement, but this exclusion does not apply to an "insured contract."
- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
 - (1) Causing or contributing to the intoxication of any person;

- (2) The furnishing or sale of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

- d. Any obligation of an insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

- e. "Bodily injury":

- (1) To an employee of an insured arising out of and in the course of employment by that insured, whether the insured may be liable as an employer or in any other capacity;

- (2) To any person as a consequence of (1) above;

- (3) To an employee which creates an obligation to share damages with or repay someone else who must pay damages, but this exclusion does not apply to liability assumed by the insured under an "insured contract";

- (4) To an employee or former employee of an insured arising out of defamation, humiliation, discrimination, harassment or termination of employment;

- f. (1) Actual, alleged, or threatened, "bodily injury", "personal injury", "property damage", or any other loss or damage whether or not expected or intended from the standpoint of the insured, arising out of the actual, alleged, or threatened, accidental, inadvertent or intentional discharge, dispersal, release, escape or use of "pollutants";

- (2) Any loss, cost, or expense arising out of any directive or obligation imposed by law that an insured test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize any "pollutants".

This exclusion does not apply to:

"bodily injury" or "property damage" caused by heat, smoke or fumes from a fire involving a building or its contents which you own, rent, occupy or upon which you are performing operations or upon which operations are being performed on your behalf.

- g. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented to or under the control of any insured. Use includes operation and "loading or unloading."

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
 - (2) A watercraft you do not own that is
 - (a) Less than 26 feet long, and
 - (b) Not being used to carry persons or property for a charge;
 - (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you;
 - (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
 - (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment" (SECTION V.8).
- h. "Bodily injury" or "property damage" arising out of:
- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
 - (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.
- i. "Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.
- j. "Property damage" to:
- (1) Property you own, rent or occupy;
 - (2) Premises you sell, give away or abandon, if the "property damage" arises out of the premises or any part thereof;
 - (3) Property loaned to you;
 - (4) Personal property in your care, custody or control;
 - (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

- k. "Property damage" to "your product."
- l. "Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

- m. "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

- n. Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises rented to you. A separate limit of insurance applies to this coverage as described in SECTION III—LIMITS OF INSURANCE.

- o. Punitive or exemplary damages, fines or penalties.
- p. Continuing or progressive "bodily injury" or "property damage" occurring at any time if such "bodily injury" or "property damage" arises out of an "occurrence" which took place prior to the policy period.

COVERAGE B PERSONAL INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that an insured becomes legally obligated to pay as damages because of "personal injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS—COVERAGES A, B AND C.
- b. We will have the right and duty to defend claims or "suits" seeking such damages against an insured. But: This right and duty is limited as described under DEFENSE OF CLAIMS OR SUITS—COVERAGES A, B AND C and the amount we will pay for damages is limited as described in SECTION III—LIMITS OF INSURANCE.
- c. This insurance applies to "personal injury" only if caused by an offense:
 - (1) Committed in the "coverage territory" during the policy period; and
 - (2) Arising out of the conduct of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you.

2. Exclusions.

This insurance does not apply to:

- a. "Personal injury"
 - (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity or indifference to its truth or falsity;
 - (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - (3) Arising out of oral or written publication of material relating to an employee or former employee;
 - (4) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
 - (5) For which an insured has assumed liability

in a contract or agreement. This exclusion does not apply to liability for damages that an insured would have in the absence of the contract or agreement;

- (6) Wrongful entry or eviction, whether or not expected or intended from the standpoint of an insured:
 - (a) Arising out of the accidental, inadvertent or intentional discharge, dispersal, release, escape or use of "pollutants"; or
 - (b) Arising out of any directive or obligation imposed by law that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any "pollutants."
- (7) Which results in an award or verdict of punitive or exemplary damages, fines or penalties;
- (8) To an employee or former employee of an insured.

COVERAGE C ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that an insured becomes legally obligated to pay as damages because of "advertising injury" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS—COVERAGES A, B, AND C.
- b. We will have the right and duty to defend claims or "suits" seeking such damages against the insured, but this right and duty is limited as described under DEFENSE OF CLAIMS OR SUITS—COVERAGES A, B AND C, and the amount we will pay for damages is limited as described in SECTION III—LIMITS OF INSURANCE.
- c. This insurance applies to "advertising injury" only if caused by an offense committed:
 - (1) In the "coverage territory" during the policy period; and
 - (2) In the course of advertising your goods, products or services.

2. Exclusions.

This insurance does not apply to:

- a. "Advertising injury"
 - (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity or indifference to its truth or falsity;

- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (6) Arising out of the failure of goods, products or services to conform with advertised quality or performance;
- (7) Arising out of the wrong description of the price of goods, products or services; or
- (8) Involving an offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting;
- (9) Which results in an award or verdict of punitive or exemplary damages, fines or penalties;
- (10) To an employee or former employee of an insured.

COVERAGE D MEDICAL PAYMENTS

1. Insuring Agreement.

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
 provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance designated in the Declarations for medical payments. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured;
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured;
- c. To a person injured on that part of premises you own or rent that the person normally occupies;
- d. To a person, whether or not an employee of any insured, if benefits for the "bodily injury" under any other insurance plan are payable or must be provided under a workers compensation or disability benefits law or a similar law;
- e. To a person injured while taking part in athletics;
- f. Included within the "products-completed operations hazard";
- g. Excluded under Coverage A;
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS— COVERAGES A, B AND C

We will pay, with respect to any claim or "suit" we defend:

- 1. All expenses we incur, except as otherwise described in DEFENSE OF CLAIMS OR SUITS—COVERAGES A, B AND C.
- 2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- 3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
- 5. All costs taxed against the insured in the "suit."
- 6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

DEFENSE OF CLAIMS OR SUITS—COVERAGES A, B AND C

We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result; but,

1. Our right and duty to defend such claims or “suits” ends when we have used up in payment of claims, settlements or judgments under COVERAGES A, B, C or D the applicable Amount of Insurance available, as set forth in the Declarations and described under SECTION III—LIMITS OF INSURANCE. Our right and duty to defend such claims or “suits” also ends if the insured’s liability for all damages covered by this insurance has been discharged by us.
2. We have no duty to defend any claim or “suit”, or that part of any claim or “suit” to which this insurance does not apply but if we do provide a defense at your request or after notice to you that we contend that all or any part of the claim or “suit” is not covered by this insurance the insured or insureds defended shall promptly reimburse us for the expense incurred in defending that part of any claim or “suit” which through agreement, arbitration or suit, is ultimately found not to be covered and which did not at any time have a reasonable potential of being covered by this insurance.
3. Where, by agreement, or pursuant to law, an insured selects the attorney who will conduct the defense of a claim or “suit” against him, our obligation to pay attorney fees is limited to reimbursing that insured for such attorney fees as were necessarily incurred in the interest of providing a complete and adequate defense and were not in excess of the hourly rate selected by the insured and set forth in the Declarations.

SECTION II WHO IS AN INSURED

1. The Named Insured in the Declarations.
2. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you, your spouse, your partners, and their spouses are insureds, but only with respect to the conduct of your business.

- c. An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

3. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, none of these employees is an insured for:
 - (1) “Bodily injury” or “personal injury” to you or to a co-employee while in the course of his or her employment; or
 - (2) “Bodily injury” or “personal injury” arising out of his or her providing or failing to provide professional health care services; or
 - (3) “Property damage” to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).
- b. Any person (other than your employee), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this coverage.

4. With respect to “mobile equipment” registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. “Bodily injury” to a co-employee of the person driving the equipment; or
- b. “Property damage” to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverages B and C do not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suit"; or
 - d. Coverage territories in which claims are made or suits are brought.
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A, Coverage B and Coverage C, except damage included in the "products-completed operations hazard"; and
 - b. Medical expense under Coverage D.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of injury and damage included in the "products-completed operations hazard."
4. Subject to 2. above, the Personal Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" sustained by any one person or organization.

If a participation percentage selected by you is stated in the Declarations for personal injury, we will not be liable for a greater percentage of any loss than the

difference between such percentage and one hundred percent, and the balance of the loss shall be borne by you; provided that we may pay your portion of the loss to effect settlement of the loss, and, upon notification of the action taken, you shall promptly reimburse us therefore. The existence of a participation percentage will not serve to increase the aggregate limit set forth in the Declarations.

5. Subject to 2. above, the Advertising Injury Limit is the most we will pay under Coverage C for the sum of all damages because of all "Advertising Injury" sustained by any one person or organization.
6. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage D because of all "bodily injury" and "property damage" arising out of any one "occurrence."
7. Subject to 6. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.
8. Subject to 6. above, the Medical Expense Limit is the most we will pay under Coverage D for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

If the amount of the General Aggregate Limit or the Products Completed Operation Aggregate Limit is left blank on the Declarations, that total limit will be considered to be the same as the Each Occurrence Limit or \$500,000, whichever is greater. If the amount of the Personal Injury and Advertising Injury Limit is left blank on the Declarations, that limit will be considered to be the same as the Each Occurrence Limit.

SECTION IV COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Arbitration

If we and the insured do not agree concerning whether or not coverage is provided under this Insurance for a claim made or a suit brought against such insured, then either party may make a written demand for arbitration. When such a demand is made, arbitration shall be a condition precedent to the filing of any civil action to or arising out of such disagreement.

We and such insured may agree to use one arbitrator. Failing to agree upon one arbitrator, each party will select an arbitrator within 30 days. The two arbitrators will select a third. If the two arbitrators cannot agree within 30 days, either may request that selection of the third be made by a judge of a court having jurisdiction.

Each party will:

- a. Pay the expenses it incurs; and
- b. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which your address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the coverage question or dispute.

2. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage.

3. Cancellation.

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes.

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

5. Duties In The Event Of Occurrence, Claim Or "Suit".

- a. You must see to it that we are notified promptly as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" took place; and
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence."
- b. If a claim is received by any insured, you must:
 - (1) Immediately record the specifics of the claim and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of injury or damage to which this insurance may apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

6. Examination Of Your Books And Records.

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

7. Inspections And Surveys.

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This Condition 7. applies not only to us, but also to any rating bureau, advisory rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

8. Legal Action Against Us.

- a. No person or organization has a right under this insurance:
 - (1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - (2) To sue us unless all of the terms of this insurance have been fully complied with.
- b. Where we have notified you that a claim or suit is not covered by this insurance or where we have refused to defend a claim or suit against you, arbitration must be demanded pursuant to the arbitration provisions of this insurance within 12 months of the date upon which notification was sent to you. No suit or action by you for damages directly or indirectly arising out of our conduct in refusing to defend or provide coverage shall thereafter be maintained in any court of law or equity unless commenced within 90 days of the date upon which you received notice of the findings of the arbitrators.
- c. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

- d. In the event of any breach of this contract of insurance or of any express or implied covenant herein, including the implied covenant of good faith and fair dealing, whether done unreasonably, wantonly, in bad faith, or in conscious disregard of rights, it is agreed that the damages recoverable in a "suit" by the party or parties aggrieved shall be limited to the actual economic loss caused thereby, including all attorneys fees and other litigation costs reasonably incurred in enforcing the contract. However, nothing herein shall preclude the recovery of any damages allowed by law for fraud, deceit, or for any intentionally inflicted harm.
- e. In any suit between you and us, brought by either party by reason of a disagreement concerning any rights or obligations under this insurance, the prevailing party shall recover all legal costs, including attorneys fees, reasonably incurred.

9. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or C, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "auto" or watercraft to the extent not subject to Exclusion g. of Coverage A (SECTION I).

When this insurance is excess, we will have no duty under Coverage A, B or C to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this coverage.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

10. Premium Audit.

- a. We will compute all premiums for this coverage in accordance with our rules and rates.
- b. Premium shown in this coverage as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Premiums.

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

12. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

13. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in the coverage to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

14. Transfer Of Your Rights And Duties Under This Policy.

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

15. Transfer Of Rights Of Recovery Against Other To Us.

If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. You must do nothing after loss to impair them. At our request, you will bring "suit" at our expense or transfer those rights to us and help us enforce them.

16. When We Do Not Renew.

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the non-renewal not less than 60 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

17. Liberalization Clause.

In the event any filing is submitted to the insurance supervisory authorities on behalf of the Company, and:

- (a) The filing is approved or accepted by the insurance authorities to be effective while this policy is in force or within 45 days prior to its inception; and

- (b) The filing includes insurance forms or other provisions that would extend or broaden this insurance by endorsement or substitution of form, without additional premium;

the benefit of such extended or broadened insurance shall inure to the benefit of the insured as though the endorsement or substitution of form had been made.

SECTION V DEFINITIONS

1. "Advertising injury" means injury occurring during the course of calling something to the attention of the public by means of paid broadcast or printed announcements and which arises out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
3. "Bodily injury" means physical injury to the body, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" also includes shock to the nervous system or emotional distress if the shock or emotional distress is severe and was treated by a medical doctor.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

- (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
6. "Insured contract" means:
 - a. A lease of premises;
 - b. A sidetrack agreement;
 - c. An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. Any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - e. An indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
 - f. An elevator maintenance agreement; or
 - g. That part of any other contract or agreement pertaining to your business under which you assume the tort liability of another to pay damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or "property damage." Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is a contributing or sole cause of the injury or damage;
- b. Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's

rendering or failing to render professional services, including those listed in a. above and supervisory, inspection or engineering services; or

- c. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.

7. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

8. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing;

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

9. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

10. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies as a residence;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

e. Oral or written publication of material that violates a person's right of privacy.

11. "Pollutants" means any solid, liquid, gaseous, or thermal irritant, contaminant, corrosive or toxic substance, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste materials consisting of or containing any of the foregoing.

12. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned;

b. "Your work" will be deemed completed at the earliest of the following times:

(1) When all of the work called for in your contract has been completed;

(2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site;

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project;

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed;

- c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
- (3) Products or operations for which the classification in this coverage or in our manual of rules includes products or completed operations.

13. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; or
- b. Loss of use of a tangible property that is not physically injured, which is caused by physical injury to other tangible property.

- 14. "Suit" means** a civil proceeding in a court of law or equity in which damages to a person or entity are sought arising out of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies. "Suit" includes a

civil proceeding by you in a court of law or equity to secure or clarify coverage under this insurance after an arbitration decision in our favor.

15. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. and b. above.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

16. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in a. or b. above.



SCOTTSDALE INSURANCE COMPANY®

8877 North Gainey Center Drive, Scottsdale, Arizona 85258

A STOCK COMPANY

Commercial Lines Policy

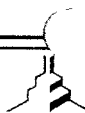
THIS POLICY CONSISTS OF: DECLARATION, COMMON POLICY CONDITIONS, ONE OR MORE
COVERAGE PARTS. A COVERAGE PART CONSISTS OF: ONE OR MORE COVERAGE FORMS,
APPLICABLE FORMS AND ENDORSEMENTS.

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURANCE COMPANY THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINES" INSURERS.
2. THE INSURANCE COMPANY IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED COMPANIES.
3. THE INSURANCE COMPANY DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURANCE COMPANY BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. FOR ADDITIONAL INFORMATION ABOUT THE INSURANCE COMPANY YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINES" BROKER OR YOU MAY CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE.

TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.

Renewal of
CLS 414815



SCOTTSDALE INSURANCE COMPANY®

8877 N. Gainey Center Drive, Scottsdale, Arizona 85258
1-800-423-7675 (outside Arizona)
A STOCK COMPANY

Policy Number
CLS 527986

COMMON POLICY DECLARATIONS

ITEM 1. Named Insured and Mailing Address

SAM ADLEN DBA: SAMSON AUTO SALVAGE
ADLEN GROUP ENTERPRISES ET AL.
8103 S. ALAMEDA STREET
LOS ANGELES, CA 90001

Agent Name and Address

MONARCH E&S INSURANCE SERVICES
2667 CAMINO DEL RIO SOUTH
SUITE 307
SAN DIEGO, CA 92108

Agent No. 04042

ITEM 2. Policy Period From: 02/11/1999 To: 02/11/2000 Term: 365 DAYS

12:01 A.M., Standard Time at your mailing address.

Business Description: VEHICLE DISMANTLING

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Commercial General Liability Coverage Part	\$ 13,422
Commercial Property Coverage Part	\$ NOT COVERED
Commercial Crime Coverage Part	\$ NOT COVERED
Commercial Inland Marine Coverage Part	\$ NOT COVERED
Commercial Auto (Business Auto or Truckers) Coverage Part	\$ NOT COVERED
Commercial Garage Coverage Part	\$ NOT COVERED
Professional Liability Coverage Part	\$ NOT COVERED
	\$
	\$
Total Policy Premium:	\$ 13,422.00
POLICY FEE:	\$ 150.00
STATE TAX:	\$ 402.66
STAMPING FEE:	\$ 46.98
TOTAL CHARGED:	\$ 14,021.64
	\$

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

INTRA INSURANCE
9820 WILLOW CREEK RD., #350, SAN DIEGO, CA

Countersigned: 03/08/1999 By

CL/SD

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.



SCOTTSDALE INSURANCE COMPANY®

SCHEDULE OF FORMS AND ENDORSEMENTS

Policy No. CLS 527986 Effective Date: 02/11/1999
12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

COMMON FORMS

CLS-J-2-a	2-98	Policy Jacket
OPS-D-1	8-96	Common Policy Dec
UTS-SP-2	12-95	Forms & Endorsement Schedule
UTS-SP-3	8-96	Locations Schedule
UTS-182s	9-98	Amendatory Endts
UTS-271g	6-98	Year 2000 Exclusion

GENERAL LIABILITY FORMS

CLS-SD-1L	9-98	GL Supplemental Dec
CLS-SP-1L	10-93	GL Ext Supplemental Dec
CG 00 01	7-98	General Liab Cov
CG 21 04	11-85	Excl-Prod-Completed Ops Hazard
CG 21 16	7-98	Excl-Designated Prof Services
CG 21 39	10-93	Contractual Liab Limitation
CG 21 44	7-98	Designated Premises Limitation
CG 21 49	7-98	Total Pollution Excl
GLS-83g	3-92	Subsidence Excl
GLS-106s	5-93	Total Liquor Liab Excl
GLS-133s	9-95	Known injury or Damage Excl
UTS-128s	10-97	Optional Provisions Endt
UTS-137g	10-95	Assault & Battery Excl
UTS-180g	3-92	Communicable Disease Excl

ADDITIONAL FORMS

UTS-52g	1-93	SELF-INSURED ENTENTION ENDT.
UTS-71	1-92	BROAD FORM CGL ENDORSEMENT



SCOTTSDALE INSURANCE COMPANY®

SCHEDULE OF LOCATIONS

Policy No. CLS 527986

Effective Date 02/11/1999

12:01 A.M. Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE

Agent No. 04042

Prem. No.	Bldg. No.	Designated Premises (Address, City, State, Zip Code)	Occupancy
1	1	8033, 8103, 8119, 8123 S. ALAMEDA STREET LOS ANGELES, CA 90001	SERVICE
2	1	11590 TUXFORD STREET, SUN VALLEY, CA 91352-3922	SERVICE
3	1	11490 PENROSE STREET, SUN VALLEY, CA 91352-3922	SERVICE
4	1	8520 TELFAIR AVENUE, SUN VALLEY, CA 91352-3922	SERVICE
5	1	8205 S. ALAMEDA STREET, LOS ANGELES, CA 90001	SERVICE



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELF-INSURED RETENTION ENDORSEMENT Loss Adjustment Expense Included in Retention Limited Reporting

It is understood and agreed that such insurance as is afforded by this policy is subject to the following additional provisions:

1. Our Limit of Liability (as stated in the policy) shall apply in excess of the Self-Insured Retention (as stated in this endorsement) and you agree not to reinsure the retained limit without our knowledge and permission. Our obligation under the policy applies only to the amount excess of the Self-Insured Retention.

Self-Insured Retention: \$1,000,000 Each Occurrence
\$1,000,000 Aggregate

The Self-Insured Retention limit shown above will be reduced by any Loss Adjustment Expense you incur.

2. Whenever used in this policy, Loss Adjustment Expense shall mean expenditures including, but not limited to, investigations, experts, adjustment services, legal services, court costs and such other costs.
3. You shall have the obligation to provide adequate defense and investigation of any claim, and to accept any offer of settlement, deemed reasonable by the Company, within the Self-Insured Retention. In the event you fail to comply with this clause, we will not pay any loss, cost or expense.

We shall have the right but no obligation, in all cases, at our own expense, to assume charge of the defense and/or settlement of any claim, and, upon our written request, you shall tender such portion of the Self-Insured Retention as we may deem necessary to complete the settlement of such claim.
4. The Policy Condition pertaining to your duty in the event of occurrence, claim, or suit is eliminated from the Policy in its entirety and the following wording substituted therefor:

- (a) You shall report to us as soon as reasonably possible each claim or loss for which your estimated amount of net loss is 50% or more of the amount of the Self-Insured Retention and shall also report all cases of serious injury which, notwithstanding the above considerations of liability or coverage, might involve this insurance including but not limited to the following:

- (1) Cord Injury—paraplegia, quadriplegia;
- (2) Amputations—requiring a prosthesis;
- (3) Brain Damage affecting mentality or central nervous system—such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (coma-tose);
- (4) Blindness;
- (5) Burns—involving over 10% of body with third degree or 30% of body with second degree;
- (6) Multiple fractures—involving more than one member or non-union;
- (7) Fracture of both heel bones (fractured bilateral os calcis);
- (8) Nerve Damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- (9) Massive internal injuries affecting body organs;
- (10) Injury to nerves at base of spinal canal (Cauda Equina) or any other back injury resulting in incontinence of bowel and/or bladder;
- (11) Fatalities;
- (12) Any other serious injury which, in your judgment, might involve us.

You shall advise us of the estimated amount of net loss and adjustment expense in connection with each claim or loss and of any subsequent changes in such estimates.

- (b) You shall cooperate with us and, upon our request, assist in making settlement in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to you because of liability with respect to which insurance is afforded under this policy; and you shall attend hearings and trials and assist in securing and giving evidence and obtaining witnesses.
5. During the currency of the insurance you shall provide us quarterly reports of all claims or incidents occurring within the Self-Insured Retention including a description of each claim and amounts paid and/or reserved. Each report is to be submitted within twenty (20) days following the end of each quarterly period and this shall apply in addition to Item 4 of this endorsement.

6. You shall at all times:

- (a) give us or our duly appointed representatives such information and assistance as we may require, and
- (b) assist in the defense of any claim, subject to Item 3 of the Self-Insured Retention Endorsement.

7. You shall select, employ and report all claims or losses to

MONARCH E&S INSURANCE SERVICES

2540 FOOTHILL BLVD., STE. 101

LA CRESCENTA, CA 91214

for the purpose of providing claims service under your Self-Insured Retention. However, you shall comply with conditions 4 and 6 of this endorsement with respect to reporting certain types of claims directly to us.

This policy will not drop down to assume or satisfy your obligation under the Self-Insured Retention.

I have read, understand and consent to the apportionment of defense costs and other loss adjustment expenses and the use of an acceptable claims adjustment service.

INSURED

DATE

TITLE

AUTHORIZED REPRESENTATIVE

DATE



Scottsdale Insurance Company®

ENDORSEMENT
NO. _____

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

BROAD FORM COMPREHENSIVE GENERAL LIABILITY ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following
COMPREHENSIVE GENERAL LIABILITY INSURANCE

This endorsement, effective **02/11/99**
(12:01 A.M., standard time)

, forms a part of Policy No. **CLS 527986**

issued to **SAM ADLEN DBA: SAMSON AUTO SALVAGE**
ADLEN GROUP ENTERPRISES et al.
by **SCOTTSDALE INSURANCE COMPANY**

AUTHORIZED REPRESENTATIVE

SCHEDULE

Personal Injury and Advertising Injury Liability

Aggregate Limit shall be the per occurrence bodily injury liability limit unless otherwise indicated herein.

Limit of Liability \$ **1,000,000** Aggregate

Limit of Liability — Fire Legal Liability Coverage:

\$50,000 per occurrence unless otherwise indicated herein: \$ **100,000** per occurrence.

Advance Premium	Premium Basis
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\$13,422.00	100 % OF THE TOTAL COMPREHENSIVE GENERAL LIABILITY BODILY INJURY AND PROPERTY DAMAGE PREMIUM AS OTHERWISE DETERMINED.
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\$13,422 MINIMUM PREMIUM

I. CONTRACTUAL LIABILITY COVERAGE

- (A) The definition of incidental contract is extended to include any oral or written contract or agreement relating to the conduct of the named Insured's business.
- (B) The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:
- (1) to bodily injury or property damage for which the insured has assumed liability under any incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;
 - (2) if the insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering of or the failure to render professional services by such Insured, including
 - (a) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and
 - (b) supervisory, inspection or engineering services;
 - (3) if the indemnitee of the Insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of
 - (a) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or
 - (b) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage.
 - (4) to any obligation for which the insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
 - (5) to bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this does not apply to sidetrack agreements.
- (C) The following exclusions applicable to Coverages A (Bodily Injury) and B (Property Damage) do not apply to this Contractual Liability Coverage, (b), (c) (2), (d) and (e):
- (D) The following additional condition applies:
- Arbitration**
The company shall be entitled to exercise all of the Insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

(A) The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies, sustained by any person or organization and arising out of the conduct of the named insured's business, within the policy territory, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

(B) This insurance does not apply:

- (1) to liability assumed by the insured under any contract or agreement;
- (2) to **personal injury** or **advertising injury** arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;
- (3) to **personal injury** or **advertising injury** arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;
- (4) to **personal injury** or **advertising injury** arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the insured with knowledge of the falsity thereof;
- (5) to **personal injury** or **advertising injury** arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in the declarations of the policy as a named insured;
- (6) to **advertising injury** arising out of
 - (a) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or
 - (b) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or
 - (c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
- (7) with respect to **advertising injury**
 - (a) to any insured in the business of advertising, broadcasting, publishing or telecasting, or
 - (b) to any injury arising out of any act committed by the insured with actual malice.

(C) Limits of Liability

Regardless of the number of (1) insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of **personal injury** or **advertising injury**, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of liability stated in this endorsement as "aggregate".

(D) Additional Definitions

"**Advertising Injury**" means injury arising out of an offense committed during the policy period occurring in the course

arises out of libel, slander, defamation, violation of right of privacy, piracy, or infringement of copyright, title or slogan.

"**Personal Injury**" means injury arising out of one or more of the following offenses committed during the policy period.

- (1) false arrest, detention, imprisonment, or malicious prosecution;
- (2) wrongful entry or eviction or other invasion of the right of private occupancy;
- (3) a publication or utterance
 - (a) of a libel or slander or other defamatory or disparaging material, or
 - (b) in violation of an individual's right of privacy; except publications or utterances in the course of or related to the advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the named insured shall not be deemed **personal injury**.

III. HOST LIQUOR LAW LIABILITY COVERAGE

Exclusion (h) does not apply with respect to liability of the insured or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the named insured's business, provided the named insured is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

IV. FIRE LEGAL LIABILITY COVERAGE — REAL PROPERTY

With respect to **property damage** to structures or portions thereof rented to or leased to the named insured, including fixtures permanently attached thereto, if such **property damage** arises out of fire.

(A) All of the exclusions of the policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the insured under any contract or agreement.

(B) The limit of **property damage** liability as respects this Fire Legal Liability Coverage — Real Property is \$50,000 each occurrence unless otherwise stated in the Schedule of this endorsement.

(C) The Fire Legal Liability Coverage — Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the insured, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

V. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (Including Completed Operations)

This insurance for **property damage** liability applies, subject to the following additional provisions:

(A) Exclusions (k) and (o) are replaced by the following:

- (1) to property owned or occupied by or rented to the insured, or, except with respect to the use of elevators, to property held by the insured for sale or entrusted to the insured for storage or safekeeping;
- (2) except with respect to liability under a written sidetrack agreement or the use of elevators
 - (a) to property while on premises owned by or rented to the insured for the purpose of having operations performed on such property by or on behalf of the insured;
 - (b) to tools or equipment while being used by the insured in performing his operations;
 - (c) to property in the custody of the insured which is to be installed, erected or used in construction by the insured;
 - (d) to that particular part of any property, not on premises owned by or rented to the insured,
 - (i) upon which operations are being performed by or on behalf of the insured at the time of the **property damage** arising out of such operations, or

- (ii) out of which any **property damage** arises, or
- (iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the **insured**;

(3) with respect to the **completed operations hazard** and with respect to any classification stated in the policy or in the company's manual as "including completed operations", to **property damage** to work performed by the **named insured** arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

(B) The Broad Form Property Damage Liability Coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

VI. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

The definition of **bodily injury** is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- (A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
- (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

- (1) expenses incurred by the **insured** for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly;
- (2) any insured engaged in the business or occupation of providing any of the services described under VI (A) and (B) above;
- (3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under VI (A) and (B) above.

VII. NON-OWNED WATERCRAFT LIABILITY COVERAGE (under 26 feet in length)

Exclusion (e) does not apply to any watercraft under 26 feet in length provided such watercraft is neither owned by the **named insured** nor being used to carry persons or property for a charge.

Where the **insured** is, irrespective of this coverage, covered or protected against any loss or claim which would otherwise have been paid by the company under this endorsement, there shall be no contribution or participation by this company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise.

VIII. LIMITED WORLDWIDE LIABILITY COVERAGE

The definition of **policy territory** is amended to include the following:

- 4. Anywhere in the world with respect to **bodily injury**, **property damage**, **personal injury** or **advertising injury** arising out of the activities of any **insured** permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or possessions or Canada.

Such insurance as is afforded by paragraph 4. above shall not apply to **bodily injury** or **property damage** included within the **completed operations hazard** or the **products hazard**.

IX. ADDITIONAL PERSONS INSURED

As respects **bodily injury**, **property damage**, and **personal injury** and **advertising injury** coverages, under the provision "Persons Insured", the following are added as **insureds**:

- (A) Spouse—Partnership—If the **named insured** is a partnership, the spouse of a partner but only with respect to the conduct of the business of the **named insured**;
- (B) Employee—Any employee (other than executive officers) of the **named insured** while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:
 - (1) to **bodily injury** or **personal injury** to another employee of the **named insured** arising out of or in the course of his employment;
 - (2) to **personal injury** or **advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;
 - (3) to **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the **named insured**, or by the **named insured** or, if the **named insured** is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

X. EXTENDED BODILY INJURY COVERAGE

The definition of **occurrence** includes any intentional act by or at the direction of the **insured** which results in **bodily injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

XI. AUTOMATIC COVERAGE—NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The word **insured** shall include as **named insured** any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to **bodily injury**, **property damage**, **personal injury** or **advertising injury** with respect to which such new organization under this policy is also an **insured** under any other similar liability or indemnity policy or would be an **insured** under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the **named insured**.

All other terms and conditions of this policy remain unchanged.

DATE

UTS-71 (2-91)

AUTHORIZED REPRESENTATIVE



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENTS

This endorsement lists several endorsements that modify your policy as follows:

IL 00 17 11 85

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THE POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

CG 21 35 10 93

EXCLUSION - COVERAGE C - MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage C. MEDICAL PAYMENTS (Section I) does not apply and none of the references to it in the Coverage part apply.

The following is added to SUPPLEMENTARY PAYMENTS (Section I):

8. Expenses incurred by the insured for first aid to others at the time of an accident for "bodily injury" to which this insurance applies.

GLS-58s (12-93)

LEAD CONTAMINATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement excludes "occurrences" at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured; or from the operations of the insured, which result in:

- a. "Bodily Injury" arising out of the ingestion, inhalation or absorption of lead in any form;
- b. "Property Damage" arising from any form of lead;
- c. "Personal Injury" arising from any form of lead;
- d. "Advertising Injury" arising from any form of lead;
- e. Medical Payments arising from any form of lead;
- f. Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
- g. Any loss, cost or expense arising out of any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

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EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to paragraph 2., Exclusions of **COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I - Coverages):

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2., Exclusions of **COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY** (Section I - Coverages):

This insurance does not apply to:

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

COMMERCIAL GENERAL LIABILITY CONDITIONS AMENDMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The CONDITION entitled **When We Do Not Renew** is deleted in its entirety.

IL 00 21 11 94

NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under

any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material" if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "Special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of

any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

GLS-30s (6-98)

CONTRACTORS SPECIAL CONDITIONS

The following has been added to the policy:

CONTRACTORS SPECIAL CONDITIONS

You will obtain certificates of insurance from all independent contractors providing evidence of:

- 1. Limits of Insurance equal to or greater than the limits provided by this policy; and
- 2. Coverage equal to or greater than the coverages provided by this policy.

Failure to comply with this condition does not alter the coverage provided by this policy. However, should you fail to comply, a premium charge will be made. The

premium charge will be computed by multiplying the "total cost" of all work sublet that fails to meet the above condition, by the rate per \$1000 payroll for the applicable classification of the work performed.

If the policy does not contain the applicable classification and rate, we will multiply our usual and customary rate per \$1000 payroll for that classification, by the net modification factor, if any, applied to the policy rates.

"Total cost" means the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work and all fees, bonuses or commissions paid.

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PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

This policy does not apply to a claim of or indemnification for punitive or exemplary damages.

Punitive or exemplary damages also include any damages awarded pursuant to statute in the form of double, treble or other multiple damages in excess of compensatory damages.

If suit is brought against any insured for a claim falling within coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action. However, the Company will have no obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

UTS-131g (3-92)

ASBESTOS EXCLUSION

The coverage afforded by this policy does not apply to bodily injury, personal injury or property damage arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;
 2. The use of asbestos in construction or manufacturing any good, product or structure;
 3. The removal of asbestos from any good, product or structure; or
 4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.
- The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense of claim or suit related to any of the above.

AUTHORIZED REPRESENTATIVE_____
DATE

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SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - YEAR 2000 COMPUTER - RELATED AND
OTHER ELECTRONIC PROBLEMS**

The following **Exclusion** is added to the policy:

This insurance does not apply to any loss, claim, damages, cost, or expense arising directly or indirectly out of:

A. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A. of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

B. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.

AUTHORIZED REPRESENTATIVE

DATE

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SCOTTSDALE INSURANCE COMPANY®

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**Policy No. CLS 527986 Effective Date 02/11/1999

12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

Item 1. Limits of Insurance		
Coverage	Limit of Liability	
Aggregate Limits of Liability	\$ <u>EXCLUDED</u>	Products/Completed Operations Aggregate
	\$ <u>1,000,000</u>	General Aggregate (other than Products/Completed Operations)
Coverage A - Bodily Injury and Property Damage Liability	\$ <u>1,000,000</u>	any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability
Damage to Premises Rented to You Limit	\$ <u>50,000</u>	any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Coverage B - Personal and Advertising Injury Liability	\$ <u>1,000,000</u>	any one person or organization subject to the General Aggregate Limits of Liability
Coverage C - Medical Payments	\$ <u>EXCLUDED</u>	any one person or subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Item 2. Form of Business and Location of Premises		
Form of Business: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Partnership or Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Organization (other than Partnership, Joint Venture or Limited Liability Company)		
Location of All Premises You Own, Rent or Occupy: SEE FORM UTS-SP-3 (8-96) - SCHEDULE OF LOCATIONS.		
Item 3. Forms and Endorsements		
Form(s) and Endorsement(s) made a part of this policy at time of issue: See Schedule of Forms and Endorsements		
Item 4. Premiums		
Coverage Part Premium:	\$	13,422
Other Premium:	\$	
Total Premium:	\$	13,422

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



SCOTTSDALE INSURANCE COMPANY®

COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CLS 527986 Effective Date: 02/11/1999

12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

Prem. No. ALL	Bldg. No. 1	Class Code 61226	Exposure S) 10,000,000	Basis GROSS SALES	
Class Description: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT.				Premises/Operations	
				Rate	Premium
				1.342	\$13,422
				Products/Comp Operations	
				Rate	Premium
				EXCLUDED	EXCLUDED
Prem. No.	Bldg. No.	Class Code	Exposure	Basis	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basis	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.
- g. **Aircraft, Auto Or Watercraft**
- "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".
- This exclusion does not apply to:
- (1) A watercraft while ashore on premises you own or rent;
 - (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
 - (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
 - (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
 - (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance ; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

- a. "Personal and advertising injury":
- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
 - (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
 - (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - (4) Arising out of a criminal act committed by or at the direction of any insured;
 - (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

- (9) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section; or

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- b. Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or

- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
 - a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
- 9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

 - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.- 10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 11. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

- 12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

- 13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

- 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

- 15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- 16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

21. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 04 11 85

EXCLUSION-PRODUCTS-COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - DESIGNATED PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description Of Professional Services:
1. ANY AND ALL PROFESSIONAL SERVICES OFFERED WITHIN THE SCOPE OF INSURED'S OPERATIONS.
2.
3.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any professional services shown in the Schedule, the following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 39 10 93

CONTRACTUAL LIABILITY LIMITATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS Section is replaced by the following:

"Insured contract" means:

- A. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract":
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:

AS PER FORM UTS-SP-3 (8-96) - SCHEDULE OF LOCATIONS.

Project:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., Exclusions of Coverage A - Bodily Injury And Property Damage Liability (Section I - Coverages) is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBSIDENCE EXCLUSION

This policy does not apply to any claim of liability for Bodily Injury or Property Damage caused by, resulting from, attributable or contributed to, or aggravated by the subsidence of land as a result of landslide, mudflow, earth sinking or shifting, resulting from operations of the named insured or any subcontractor of the named insured.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Exclusion c. in SECTION I, COVERAGE A, is deleted in its entirety and replaced with the following:

c. "Bodily injury" or "property damage" for which any insured or his indemnitee may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age;
- (3) The furnishing of alcoholic beverages to anyone under the influence of alcohol; or
- (4) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWN INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising from an "occurrence," or "personal injury" or "advertising injury" arising from an offense which was known to any "insured" before the effective date of this policy regardless of whether there is repeated or continued exposure during the policy period or whether the injury or damage continues during the policy period.

For the purposes of this exclusion:

- (a) Injury or damage is known to any "insured" when any "insured" is aware or reasonably should be aware that the injury or damage has occurred; and
- (b) Knowledge of "bodily injury" or "property damage" arising from an "occurrence" or "personal injury" or "advertising injury" arising from an offense constitutes knowledge of all injury or damage caused by the same "occurrence" or offense.

AUTHORIZED REPRESENTATIVE

DATE

INSURED



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPTIONAL PROVISIONS ENDORSEMENT

The following special provisions (indicated by an "X") apply to this policy.

SCHEDULE

- ☒ Bodily Injury, Property Damage, Personal Injury and Advertising Injury Liability Deductible Endorsement

Coverage	Amount and Basis of Deductible
Bodily Injury Liability	\$ - 0 - per claimant
Property Damage Liability	\$ - 0 - per claimant
Personal Injury Liability	\$ - 0 - per claimant
Advertising Injury Liability	\$ - 0 - per claimant

- ☒ Service of Suit Clause

Service of Process will be accepted by: _____

MONARCH E&S INSURANCE SERVICES _____, and

Service of Process will be mailed to: _____

MONARCH E&S INSURANCE SERVICES _____

- ☒ Minimum and Advance Premium Endorsement

Minimum Premium _____ 100 %

- ☒ Minimum Earned Premium

Minimum Earned Premium _____ 25 % of the advanced premium.

BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY AND ADVERTISING INJURY LIABILITY DEDUCTIBLE ENDORSEMENT

GLS-94s (8-96)

This insurance modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," "property damage," "personal injury," and "advertising injury," however caused.):
NO LIMITATION

1. Our obligation under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages, and the Limits of Insurance applicable to Each Occurrence or offense for such coverages will be reduced by the amount of such deductible. Aggregate Limits for such coverages shall not be reduced by the application of such deductible amount.

- The deductible amounts apply to damages and all legal and loss adjustment expenses.
- The deductible amounts stated in the Schedule above apply under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages, respectively, to all damages because of "bodily injury," or "personal injury" sustained by one person, or to all damages because of "property damage" sustained by one person, any organization, or association or any individual member of any organization or association as the result of any one "occurrence."
- The terms of this insurance, including those with respect to our right and duty to defend any "suits" seeking those damages and your duties in the event of an "occurrence," offense, claim or "suit," apply irrespective of the application of the deductible amount.

5. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly

reimburse us for such part of the deductible amount as has been paid by us.

SERVICE OF SUIT CLAUSE

UTS-9g (5-96)

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent, Commis-

sioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance).

The officer named in the Schedule above is authorized and directed to accept service of process on behalf of the Company.

Having accepted service of process on behalf of the Company, the officer is authorized to mail the process or a true copy to the individual named in the Schedule above.

MINIMUM AND ADVANCE PREMIUM ENDORSEMENT

GLS-47s(4-97)

This endorsement modifies Conditions provided under the following:

COMMERICAL GENERAL LIABILITY COVERAGE PART

Item b. of the Premium Audit Condition (under SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS) is changed to read:

- b. The advance premium for this Coverage Part is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable to us on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, subject to the minimum premium as defined below. For purposes of this policy, the terms advance premium, earned premium, and minimum premium are defined as follows:

Advance Premium - The premium that is stated in the policy Declarations and payable in full by the first Named Insured at the inception of the policy.

Earned Premium - The premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the audit period.

Minimum Premium - The lowest premium for which this insurance will be written for the Policy Period stated in Item 2. of the Declarations. This minimum premium is equal to 100% (unless a different percentage (%) is shown in the SCHEDULE above) of the advance premium including any premium adjustments made by endorsement to this policy during the policy period. Premium adjustments do not include the audit premium developed for the Policy Period stated in Item 2. of the Declarations.

MINIMUM EARNED PREMIUM

UTS-119g (8-94)

Provision A. 5. of the CANCELLATION Condition contained in the COMMON POLICY CONDITIONS is deleted in its entirety and replaced with the following:

A. CANCELLATION

5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the Insured cancels, the refund may be less than pro rata. However, if this policy is canceled at the request of the Insured, the total retained by the Company shall not be less than the percentage of the advanced premium listed in the Schedule above.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSAULT AND BATTERY EXCLUSION

This insurance does not apply to Bodily Injury or Property Damage arising from:

- A. Assault and Battery committed by any insured, any employee of any insured, or any other person;
- B. The failure to suppress or prevent Assault and Battery by any person in A. above; or
- C. Any Assault and Battery resulting from or allegedly related to the negligent hiring, supervision or training of any employee of any insured.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	02/11/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

In consideration of the premium charged, it is understood and agreed that no coverage exists, and no duty to defend exists, for claims or suits brought against any **INSURED** for damages arising out of any Communicable Disease, including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS).

It is further agreed this exclusion applies even if such damages arise or are alleged to arise as a result of the **INSURED'S** negligent hiring, placement, training, supervision, act, error or omission.

It is still further agreed that Communicable Disease means an infectious disease transmissible from person to person by direct contact with an affected person or that person's discharges or body fluids.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. 1

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	03/02/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGE ENDORSEMENT

- ☐ No Change In Premium
☒ Additional Premium 250.00
☐ Return Premium _____
State Tax 7.50
Stamping Fee .88
Total Premium 258.38

It is understood and agreed that:

- | | | |
|--|--|--|
| 1. Rate Basis..... <input type="checkbox"/> | 9. Classification Deleted..... <input type="checkbox"/> | 16. Mortgagee Deleted..... <input type="checkbox"/> |
| 2. Premium..... <input type="checkbox"/> | 10. Mailing Address
of the Insured..... <input type="checkbox"/> | 17. Loss Payee Added..... <input type="checkbox"/> |
| 3. Limits of Insurance..... <input type="checkbox"/> | 11. Description of
Property Covered..... <input type="checkbox"/> | 18. Loss Payee Deleted..... <input type="checkbox"/> |
| 4. Inception Date..... <input type="checkbox"/> | 12. Coverage..... <input type="checkbox"/> | 19. Deductible..... <input type="checkbox"/> |
| 5. Expiration Date..... <input type="checkbox"/> | 13. Additional Insured
Endorsement..... <input type="checkbox"/> | 20. Other..... <input checked="" type="checkbox"/> |
| 6. Name of Insured..... <input type="checkbox"/> | 14. Endorsement..... <input type="checkbox"/> | LOCATION ADDED..... |
| 7. Location of Property..... <input type="checkbox"/> | 15. Mortgagee Added..... <input type="checkbox"/> | _____ |
| 8. Classification Added..... <input checked="" type="checkbox"/> | | _____ |

- ☐ Is Amended to Read as Follows
☒ The Following Form(s) Is/are made a part of the Policy
☐ The Following Form(s) Is/are Deleted from the Policy

IN CONSIDERATION OF THE ADDITIONAL PREMIUM, IT IS HEREBY AGREED THAT AS OF THE EFFECTIVE DATE HEREOF, CAPTIONED POLICY IS AMENDED IN THE FOLLOWING PARTICULARS:

- 8) CLASSIFICATION IS HEREBY ADDED TO COVERAGE PER REVISED FORMS
CLS-SD-1L (09-98), CLS-SP-1L (10-93) ATTACHED.
- 20) LOCATION NO. 6 IS ADDED TO FORM UTS-SP-3 (8-96) - REVISED SCHEDULE OF
LOCATIONS ATTACHED.

FORMS ADDED TO AND MADE A PART OF POLICY FOR CODE 49451 ARE AS FOLLOWS:
GLS-133s (09-95), GLS-152s (12-96), UTS-257s (08-97) ATTACHED.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

_____/ 04/15/1999 /VS
AUTHORIZED REPRESENTATIVE DATE



SCOTTSDALE INSURANCE COMPANY®

SCHEDULE OF LOCATIONS

Policy No. CLS 527986

Effective Date 03/02/1999

12:01 A.M. Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE

Agent No. 04042

Prem. No.	Bldg. No.	Designated Premises (Address, City, State, Zip Code)	Occupancy
1	1	8033, 8103, 8119, 8123 S. ALAMEDA STREET LOS ANGELES, CA 90001	SERVICE
2	1	11590 TUXFORD STREET, SUN VALLEY, CA 91352-3922	SERVICE
3	1	11490 PENROSE STREET, SUN VALLEY, CA 91352-3922	SERVICE
4	1	8520 TELFAIR AVENUE, SUN VALLEY, CA 91352-3922	SERVICE
5	1	8205 S. ALAMEDA STREET, LOS ANGELES, CA 90001	SERVICE
6	N/A	8111 SO. CROESUS AVENUE AND 9208 SO. CROESUS LOS ANGELES, CA 90001 (BEHIND LOC. #1)	NONE



SCOTTSDALE INSURANCE COMPANY®

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**Policy No. CLS 527986 Effective Date 03/02/1999

12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

Item 1. Limits of Insurance		
Coverage	Limit of Liability	
Aggregate Limits of Liability	\$ <u>EXCLUDED</u>	Products/Completed Operations Aggregate
	\$ <u>1,000,000</u>	General Aggregate (other than Products/Completed Operations)
Coverage A - Bodily Injury and Property Damage Liability	\$ <u>1,000,000</u>	any one occurrence subject to the Products/Completed Operations and General Aggregate Limits of Liability
Damage to Premises Rented to You Limit	\$ <u>50,000</u>	any one premises subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Coverage B - Personal and Advertising Injury Liability	\$ <u>1,000,000</u>	any one person or organization subject to the General Aggregate Limits of Liability
Coverage C - Medical Payments	\$ <u>EXCLUDED</u>	any one person or subject to the Coverage A occurrence and the General Aggregate Limits of Liability
Item 2. Form of Business and Location of Premises		
Form of Business: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Partnership or Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Organization (other than Partnership, Joint Venture or Limited Liability Company)		
Location of All Premises You Own, Rent or Occupy: SEE FORM UTS-SP-3 (8-96) - SCHEDULE OF LOCATIONS.		
Item 3. Forms and Endorsements		
Form(s) and Endorsement(s) made a part of this policy at time of issue: See Schedule of Forms and Endorsements		
Item 4. Premiums		
Coverage Part Premium:	\$	13,672
Other Premium:	\$	
Total Premium:	\$	13,672

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.



SCOTTSDALE INSURANCE COMPANY*

COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

Policy No. CLS 527986 Effective Date: 03/02/1999
12:01 A.M., Standard Time

Named Insured SAM ADLEN DBA: SAMSON AUTO SALVAGE Agent No. 04042

Prem. No. ALL	Bldg. No. 1	Class Code 61226	Exposure S) 10,000,000	Basls GROSS SALES	
Class Description: BUILDINGS OR PREMISES - OFFICE - OTHER THAN NOT-FOR-PROFIT.				Premises/Operations	
				Rate	Premium
				1.342	\$13,422
				Products/Comp Operations	
				Rate	Premium
				EXCLUDED	EXCLUDED
Prem. No. 6	Bldg. No. N/A	Class Code 49451	Exposure T) 2	Basls EACH ACRE	
Class Description: VACANT LAND. PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.				Premises/Operations	
				Rate	Premium
				11.91	\$250.00 M.P.
				Products/Comp Operations	
				Rate	Premium
				INCLUDED	INCLUDED
Prem. No.	Bldg. No.	Class Code	Exposure	Basls	
Class Description: A				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium
Prem. No.	Bldg. No.	Class Code	Exposure	Basls	
Class Description:				Premises/Operations	
				Rate	Premium
				Products/Comp Operations	
				Rate	Premium



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	03/02/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWN INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising from an "occurrence," or "personal injury" or "advertising injury" arising from an offense which was known to any "insured" before the effective date of this policy regardless of whether there is repeated or continued exposure during the policy period or whether the injury or damage continues during the policy period.

For the purposes of this exclusion:

- (a) injury or damage is known to any "insured" when any "insured" is aware or reasonably should be aware that the injury or damage has occurred; and
- (b) Knowledge of "bodily injury" or "property damage" arising from an "occurrence" or "personal injury" or "advertising injury" arising from an offense constitutes knowledge of all injury or damage caused by the same "occurrence" or offense.

AUTHORIZED REPRESENTATIVE

DATE

AGENT



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	03/02/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO OTHER INSURANCE CONDITION

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Condition 4. Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted in its entirety and is replaced by the following:

4. Other Insurance

a. Primary Insurance

This Insurance is primary except when b. below applies.

b. Excess Insurance

This Insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire Insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (3) If the loss arises out of the maintenance or use of aircraft, "auto" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I); or

- (4) That is valid and collectible Insurance available to you under any other policy.

When this Insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this Insurance is excess over other insurance, we will pay only the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all other insurance.

If a loss occurs involving two or more policies, each of which states that its insurance will be excess, then our policy will contribute on a pro rata basis.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	03/02/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO OTHER INSURANCE CONDITION

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Condition 4. Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted in its entirety and is replaced by the following:

4. Other Insurance

a. Primary Insurance

This Insurance is primary except when b. below applies.

b. Excess Insurance

This Insurance is excess over any other Insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (3) If the loss arises out of the maintenance or use of aircraft, "auto" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I); or

- (4) That is valid and collectible Insurance available to you under any other policy.

When this Insurance is excess, we will have no duty under Coverages A or B to defend the Insured against any "suit" if any other Insurer has a duty to defend the Insured against that "suit." If no other Insurer defends, we will undertake to do so, but we will be entitled to the Insured's rights against all those other Insurers.

When this Insurance is excess over other Insurance, we will pay only the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other Insurance would pay for the loss in the absence of this Insurance; and
- (2) The total of all deductible and self-insured amounts under all other Insurance.

If a loss occurs involving two or more policies, each of which states that its Insurance will be excess, then our policy will contribute on a pro rata basis.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
CLS 527986	03/02/1999	SAM ADLEN DBA: SAMSON AUTO SALVAGE	04042

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENTIAL EXCLUSION - CALIFORNIA

This Insurance does not apply, either directly or as assumed by contract, for any lawsuits, actions or any other claim for liability for "bodily injury," "property damage" or "personal injury" arising from or in any way relating to the Insureds operations or interest or any other involvement in any condominium, townhouse, apartment building or residential:

1. development;
2. construction;
3. reconstruction; or
4. renovation

in the state of California.

This exclusion applies to any operations taking place:

1. prior to inception of this policy;
2. during this policy term; or
3. prior to inception of this policy and continuing into this policy term.

AUTHORIZED REPRESENTATIVE

DATE

AGENT

COMMERCIAL PACKAGE POLICY

Industrial Indemnity
a Crum and Forster organization

DECLARATIONS

Item	Renewal of: OL 903-1705 Date Issued: 2/23/90 LN Policy No. OL 855-7707		
1.	NAMED INSURED AND ADDRESS SAMSON AUTO SALVAGE (AS PER END'T. ATTACHED) BERNARD LEHRER 11590 TUXFORD STREET SUN VALLEY, CA. 91352		
2.	POLICY PERIOD: From: 10/8/89 To: 10/8/90 12:01 A.M. Standard Time at Your Mailing Address Shown Above.		
3.	THIS INSURANCE POLICY IS ISSUED BY: <input type="checkbox"/> Industrial Indemnity Company <input type="checkbox"/> Industrial Indemnity Company of Alaska <input type="checkbox"/> Industrial Indemnity Company of The Northwest <input type="checkbox"/> Industrial Insurance Company of Hawaii, Ltd. <input type="checkbox"/> Industrial Indemnity Company of Idaho <input checked="" type="checkbox"/> California Insurance Company SAN FRANCISCO, CALIFORNIA	Producer Name and Address PRODUCER NO. 44603 ALEXANDER & ALEXANDER OF CALIFORNIA, INC. P.O. BOX 3803 SAN FRANCISCO, CA. 94119	
4.	FORM OF BUSINESS: <input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/>		
5.	BUSINESS DESCRIPTION: AUTO DISMANTLER		
6.	In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage part(s) for which a premium is indicated. This premium may be subject to adjustment.		
	Coverage Part(s)	Coverage Part Declarations Form (Number and Edition Date)	Advance Premium
	Commercial Property Coverage Part	CP7000 (10/87)	273.
	Commercial Inland Marine Coverage Part	NOT COVERED	-
	Commercial General Liability Coverage Part	CG7000 (5/87)	19,020.
	Commercial Auto Coverage Part	CA7000 (5/87)	90,480.
	Commercial Crime Coverage Part	NOT COVERED	-
	Other (Specify) SUPPLEMENTAL INLAND MARINE	CM7006 (8/87)	1,160.
7.	FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date) IL7500(11/88), IL0003(11/85), 1X572R1(11/88), IL0270(3/88), IL7601(11/88)		
8.	Total Advance Premium CIGA \$ 112,042. (Includes \$1,109. Tax and/or Surcharge)		
	Premium is Payable: <input type="checkbox"/> Direct Bill <input checked="" type="checkbox"/> At Inception <input type="checkbox"/> See Premium Payment Schedule	Client No.	
	Audit Period: Annual (Unless otherwise Stated): <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/>	Group No. Group Name:	

Countersigned by:

Authorized Representative

CIGA SURCHARGE

(California Insureds Only)

Companies writing property and casualty insurance business in California are required to participate in the California Insurance Guarantee Association. If a company becomes insolvent the California Insurance Guarantee Association settles unpaid claims and assesses each insurance company for its fair share.

California law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged "CA Surcharge" with an amount will be displayed on your premium notice.

If you have any questions or require additional information about the surcharge, please contact your agent or broker.

 **Industrial Indemnity**
a Crum and Forster organization
A XEROX Financial Services Company

1X572 R1 (11/88)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 03 11 85

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY—NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 70 03 88

CALIFORNIA CHANGES—CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART—EXCEPT COVERAGE FORMS A AND B
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The following is added to the CANCELLATION Common Policy Condition:

7. POLICIES IN EFFECT FOR MORE THAN 60 DAYS

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control re-

quirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

i Place us in violation of California law or the laws of the state where we are domiciled; or

ii Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for a reason listed in paragraph 7.a.(1) or (2).

(over)



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEGAL ACTION AGAINST US
(DAMAGES RECOVERABLE, LIABILITY FOR ATTORNEYS FEES)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SUPPLEMENTAL COMMERCIAL INLAND MARINE COVERAGE PART

The following is added to the Legal Action Against Us Condition(s) or Suit(s) Condition(s):

1. In the event of any breach of the provisions of this policy or of any express or implied covenant herein, including any implied covenant of good faith and fair dealing, whether done unreasonably, wantonly, maliciously, oppressively, despicably, or in whatever state of mind, the damages recoverable shall be limited to (a) the economic loss caused thereby, and (b) where allowed by law, punitive damages where a party has been found beyond a reasonable doubt to have committed fraud or to have intentionally inflicted harm, but such punitive damages shall be limited to no more than three times the amount of the actual economic damages, exclusive of attorneys and arbitrators fees and expenses, caused thereby.
2. In any "suit" or arbitration brought by you or us by reason of a disagreement concerning any rights or obligations under this insurance, the prevailing party shall recover all legal costs, including attorneys fees reasonably incurred in prosecuting or defending the arbitration or "suit."

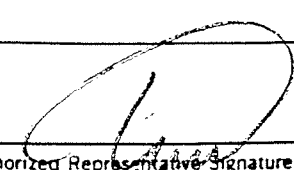
Policy Change
Number CPP-1

GU 269
(11-85)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OL 12 01 11 85
POLICY CHANGES

POLICY NO. OL 855-7707	POLICY CHANGES EFFECTIVE 10/8/89	COMPANY CALIFORNIA INSURANCE
NAMED INSURED SAMSON AUTO SALVAGE		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED COMMERCIAL PROPERTY COVERAGE		
CHANGES THE NAMED INSURED AS SHOWN ON THE DECLARATION PAGE OF THE POLICY IS COMPLETED TO READ AS FOLLOWS: AADLEN BROTHERS AUTO WRECKING & SAMSON AUTO SALVAGE, BROTHERS FOREIGN CAR AUTO WRECKING, UNIVERSAL AUTO WRECKING, AMERICAN TRUCK SALES, A FOREIGN AUTO WRECKING, CALIFORNIA CAR HIKERS, BROTHERS AUTO SALES, SAM ADLEN, AN INDIVIDUAL.		


Authorized Representative Signature

PREMIUM PAYMENT SCHEDULE

(☒ Indicates Payment(s) Applicable)

Named Insured SAMSON AUTO SALVAGE

Policy No. OL 255-7707

* Company CALIFORNIA INSURANCE

Endorsement No.

* Producer ALEXANDER & ALEXANDER OF
CALIFORNIA, INC.

Effective Date 11/1/89

* This information is completed only when this endorsement is issued subsequent to preparation of policy.

☒ PAYMENT SCHEDULE

The premium is payable as follows.

DUE DATES:

Payment due at Policy Inception, Anniversary Date or Endorsement effective date of 10/8/, 19 89;

PAYMENT AMOUNT:

\$ 12,205. CIGA INCL.

And 9 payments thereafter due in the amount of on the FIRST day of:

\$ 11,093.

- ☒ January
- ☒ February
- ☒ March
- ☒ April
- ☒ May
- ☒ June
- ☒ July
- ☐ August
- ☐ September
- ☐ October
- ☒ November
- ☒ December

Total Premium \$ 112,042.

☐ REVISED PAYMENTS (Other than at inception or anniversary date).

	Additional Premium	Return Premium
Premium Payable at Endorsement Effective Date	\$	\$
Premium Adjustment to Payment Schedule		
Dates Due	Previous Installment	Increase
	\$	\$
	\$	\$
Total Endorsement Premium to Policy Expiration	\$	\$

All other terms and conditions remain unchanged.

Authorized Representative

**COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS**

Policy No. OL 855-7707

Effective Date: 10/8/89 **
12:01 A.M., Standard Time

DESCRIPTION OF PREMISES						
Prem. No. Bldg. No.		Location, Construction & Occupancy				
1 - 1		11590 TUXFORD STREET SUN VALLEY, CA.				
COVERAGES PROVIDED—Insurance at the Described Premises applies only for coverages for which a limit of insurance is shown.						
PREM. BLDG. NO.	COVERAGE	CO. INSURANCE	LIMIT OF INSURANCE	DEDUCTIBLE (If other than \$250)	COVERED CAUSE OF LOSS (Form and Edition Date)	RATES
1-1	PERSONAL PROPERTY EXCLUDING STOCK	90%	\$1,000.	250.	CP1030 (7/88)	VRS.
COVERAGE OPTIONS—The following coverage options are provided when designated by a <input checked="" type="checkbox"/> and an entry under the Premises listed below.						
COVERAGE:		Prem. ____ Bldg. ____		Prem. ____ Bldg. ____		Prem. ____ Bldg. ____
BUILDING						
<input type="checkbox"/> Replacement cost (x)		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/> Inflation Guard		____ %		____ %		____ %
<input type="checkbox"/> Agreed Value (expiration date)		_____		_____		_____
<input type="checkbox"/> _____		_____		_____		_____
PERSONAL PROPERTY						
<input type="checkbox"/> Replacement cost (x)		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/> Replacement cost (incl. stock) (x)		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/> Inflation Guard		____ %		____ %		____ %
<input type="checkbox"/> Agreed Value (expiration date)		_____		_____		_____
<input type="checkbox"/> _____		_____		_____		_____
BUSINESS INCOME						
<input type="checkbox"/> Monthly Limit of Indemnity (Fraction)		_____		_____		_____
<input type="checkbox"/> Maximum Period of Indemnity (x)		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/> Agreed Value (expiration date)		_____		_____		_____
<input type="checkbox"/> _____		_____		_____		_____
<input type="checkbox"/> OTHER (Describe)		_____		_____		_____
MORTGAGE HOLDER(S)						
Prem. No. Bldg. No.		Mortgage Holder Name and Mailing Address				
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)						
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:						
<u>Applicable to All Coverages</u>			<u>Applicable to Specific Premises/Coverages</u>			
			<u>Prem./Bldg. No.</u>		<u>Coverages</u>	<u>Form(s)</u>
CP0090(7/88), CP0299(11/85)			1-1 PERSONAL PROPERTY EXCLUDING STOCK		1X599(7/89)	CP0010(7/88)

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

CAUSES OF LOSS—SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F—Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - (2) Mudslide or mudflow;
 - (3) Water that backs up from a sewer or drain; or
 - (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.
- But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

2. We will not pay for loss or damage caused by or resulting from any of the following:



CP 00 90 07 88

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the in-

surance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 02 99 11 85

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

1. Seasonal unoccupancy;
2. Buildings in the course of construction, renovation or addition; or
3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

B. After damage by a Covered Cause of Loss, permanent repairs to the building:

1. Have not started, and
2. Have not been contracted for,

within 30 days of initial payment or loss.

C. The building has:

1. An outstanding order to vacate;
2. An outstanding demolition order; or
3. Been declared unsafe by governmental authority.

D. Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

E. Failure to:

1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.



STATE OF CALIFORNIA
AUTO DISMANTLERS ASSOCIATION (S.C.A.D.A.)
AMENDMENT TO FORM CP 00 10 11 85
BUILDING AND PERSONAL PROPERTY COVERAGE FORM

It is agreed that under Section A. Coverage, item 1.b. Your Business Personal Property Does Not Include Item (3) "Stock".

CP 00 10 07 88

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H—DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the

Declarations or on the Your Business Personal Property—Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others; and
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.

c. **Personal Property of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;



Special Contractor's Equipment Form

1. PROPERTY INSURED:

This policy covers:

- a. Contractor's equipment which is described on the schedule attached to this policy, the property of the Insured and the property of others for which the Insured may be liable, for not exceeding the amount(s) specified with respect to each scheduled item and each item scheduled is to be deemed separately insured;
- b. Property of the class insured hereunder which is purchased by the Insured during the term of this policy for an amount not to exceed \$ 5,000. in the aggregate. In consideration of this extension the Insured agrees to report such additions to the Company within thirty (30) days of delivery and to pay premium thereon at pro rata of the policy rate. This policy shall cease to cover such additions if they are not reported within 30 days.

It is warranted by the Insured that the property insured hereunder is in sound condition at the time of attachment of this policy.

2. PROPERTY EXCLUDED:

This policy does not cover:

- a. Automobiles, trucks or trailers, or other vehicles licensed or designed for highway use, aircraft or watercraft;
- b. Property while located underground or in caissons or under water;
- c. Property which has become a permanent part of any structure;
- d. Property while waterborne except while being transported on a regular ferry or while airborne;
- e. Property leased, rented or loaned to others;
- f. Temporary buildings, supplies, materials to be used in construction, records, documents, plans or specifications;
- g. Crane or derrick boom(s) and jib(s) in excess of 25 feet in length while being operated unless the loss or damage is caused by fire, lightning, hail, windstorm, explosion, aircraft, other vehicles, landslide or overturning of a unit of which it is a part;
- h. Tires or tubes unless the loss or damage is caused by fire, windstorm or theft or is coincidental with other loss or damage insured by this policy.

3. LIMIT OF LIABILITY:

It is agreed that the Company's limit of liability, including all related costs and expenses, shall not exceed \$ 116,000. in respect to any loss, disaster or casualty.

4. DEDUCTIBLE:

Deductible clause b applies.

- a. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim an amount equal to _____% of the value of the item(s) involved in the loss shall be deducted. If two or more items are involved in a single occurrence, the deductible amount shall be determined separately for each item. In no event shall the amount deducted from a loss hereunder be less than \$ _____ nor more than \$ _____ in any one occurrence.
- b. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the sum of \$ 250. shall be deducted. If two or more items are involved in a single occurrence, the deductible amount shall apply to each item. In no event shall the amount deducted from a loss hereunder be more than \$ 250. in any one occurrence.

Except for recovery through subrogation proceedings, any salvage or other recovery, after expenses incurred in salvage or recovery are deducted, shall accrue entirely to the benefit of the Company until the sum paid by the Company has been recovered.

Any recovery as a result of subrogation proceedings, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the Insured in the proportion that the amount of the deductible bears to the amount of the entire loss.

5. COINSURANCE:

This Company shall be liable in the event of loss for no greater proportion thereof than the amount insured hereunder bears to 100 % of the actual value of the property scheduled herein at the time when such loss or damage shall happen and in no event for an amount in excess of the amount insured hereunder in respect to each item as set forth either in case of partial or total loss or salvage or any other costs and expense, or all combined. If this policy covers two or more items, this condition shall apply to each item separately.

6. PERILS INSURED:

This policy insures against risks of direct physical loss of or damage to the property insured from any external cause except as hereinafter provided.

**SUPPLEMENTAL
COMMERCIAL INLAND MARINE COVERAGE PART
DECLARATIONS**

Policy No. OL 855-7707

Effective Date: 10/8/89 **
12:01 A.M., Standard Time

BUSINESS DESCRIPTION*
AUTO DISMANTLING
PREMIUM
Premium for this Coverage Part \$ 1160.
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)
Forms and Endorsements Applying to this Coverage Part and made part of this policy at time of issue: CM7502(8/87), CM0104(12/83)

*Information omitted if shown elsewhere in the policy

**Inclusion of date optional.

CONTRACTOR'S EQUIPMENT FLOATER 1P073R1 (11/78)

1P077R3 (2/82)

SCHEDULE OF INSURED PROPERTY

ITEM NO.

DESCRIPTION OF PROPERTY

AMOUNT OF
INSURANCE

1.	1979 4 TON FORKLIFT	10,000.
2.	1972 CLARK FORKLIFT	2,500.
3.	1972 AL JOHN FORKLIFT	3,500.
4.	1989 BIG MAC CAR	
	CRUSHER S#815-13489	100,000.
		<hr/>
		\$116,000.

INLAND MARINE

IM 322
(Ed. 12-83)

CM 01 04 (Ed. 12 83)

COMMERCIAL INLAND MARINE AMENDATORY ENDORSEMENT

This endorsement, effective 10/8/
mental endorsement (form) No.
issued to SAMSON AUTO SALVAGE

, forms a part of policy No. OL 855-7707
attached to policy No.

or supple-

by CALIFORNIA INSURANCE
located SAN FRANCISCO, CALIFORNIA
City and State

Date of endorsement 2/23/90

at its Agency

.....Agent

(When this endorsement forms a part of a supplemental endorsement (form) the word "policy" wherever appearing in the following provisions is to be construed to mean "supplemental endorsement (form)".)

The provisions of the following forms are amended as indicated: (ENTER BELOW)

1. PERILS INSURED

The Perils Insured section of the above forms is deleted and replaced by the following:

This policy insures against risks of direct physical loss or damage to the insured property unless the loss or damage is excluded under the Perils Excluded section of this policy.

2. PERILS EXCLUDED

The following are added to the Perils Excluded section:

A. When any of the following Perils Excluded apply:

- (1) Earthquake;
- (2) Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
- (3) Water which backs up through sewers or drains;
- (4) Water below the surface of the ground;
- (5) War risk and governmental action;
- (6) Nuclear reaction or radiation;

Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage.

B. This policy does not insure against loss or damage caused by any of the following. However, any ensuing loss or damage not excluded or excepted in this policy is covered.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with any of the following Perils Excluded in this policy relating to:
 - a. Earthquake;
 - b. Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
 - c. Water which backs up through sewers or drains;
 - d. Water below the surface of the ground;
 - e. War risk and governmental action;
 - f. Nuclear reaction or radiation;

(over)



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POLICY NUMBER: OL 855-7707

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 12 18 07 88

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract of Sale
				X		
1 - 1		1989 BIG MAC CAR CRUSHER S#815-13489	FIRST INTERSTATE BANK 200 PINE STREET P.O. BOX 1490 LONG BEACH, CA. 90801			

A. When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading; or
 - d. Financing statements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(over)



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IT IS AGREED THAT YOUR AUTOMOBILE INSURANCE IS CHANGED AS INDICATED BY SPECIFIC ENTRY IN ANY OF THE FOLLOWING ITEMS:

1. THE AUTOMOBILE(S) DESCRIBED IN ITEM 3 IS (ARE) ☒ ADDED * ☐ DELETED ☐ RECLASSIFIED AS
☐ SUBSTITUTED FOR THE AUTOMOBILE DESCRIBED IN THE POLICY AS _____, WHICH AUTOMOBILE IS DELETED:

*ONLY FOR COVERAGES AND LIMITS OF LIABILITY INDICATED IN ITEM 5 OF THIS ENDORSEMENT.

2. EXCEPT FOR TOWING ALL PHYSICAL DAMAGE LOSS IS PAYABLE TO YOU AND THE LOSS PAYEE NAMED BELOW AS INTERESTS MAY APPEAR AT THE TIME OF THE LOSS.

LOSS PAYEE'S
NAME
AND
ADDRESS
(IF APPLICABLE)

See Automobile Loss Payable
provision on the reverse side.

3. DESCRIPTION OF THE AUTOMOBILE(S) AND FACTS RESPECTING ITS (THEIR) PURCHASE BY YOU:

UNIT NO.	YEAR	DESCRIPTION MAKE, MODEL, BODY TYPE, SERIAL NO., VEHICLE I.D. NO., (V.I.N.), WEIGHT	CLASS	LOCATION	SYMBOL OR NEW COST	AMOUNT OF INSURANCE
50	79	CHEV. 2 DOOR #1S87L9L581000	7398	T-008	7500-6	

*"ACV" means Actual Cash Value

4. AUTO REGISTERED TO:

5. ANY ADDITIONAL OR RETURN PREMIUM BECAUSE OF ANY CHANGE MADE IS STATED IN THE SCHEDULE BELOW.

THE FOLLOWING COVERAGE(S) IS (ARE) ADDED, DELETED OR AMENDED TO ITS (THEIR) LIMIT(S) OF LIABILITY IF SO INDICATED BY AN "X" IN THE APPROPRIATE COLUMN(S).

ADDITIONAL OR RETURN PREMIUMS

ADDED	EXCLUDED	AMENDED	COVERAGES	LIMIT — THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	NEW ANNUAL PREMIUMS # 50	ADDITIONAL PREMIUMS # 50	RETURN PREMIUMS #
X			LIABILITY INSURANCE	\$ 1,000,000.	1598.	1301.	
			PERSONAL INJURY PROTECTION (or equivalent no-fault coverage)	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS \$ 0EO.			
			ADDED PERSONAL INJURY PROTECTION (or equivalent added no-fault coverage)	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT			
			AUTO MEDICAL PAYMENTS INSURANCE	\$ NOT COVERED			
			UNINSURED MOTORISTS INSURANCE	\$ NOT COVERED			
X			PHYSICAL DAMAGE INSURANCE COMPREHENSIVE COVERAGE	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS \$ 250. OEO. FOR EACH COVERED AUTO FOR ALL LOSS EXCEPT FIRE OR LIGHTNING.	44.	36.	
			PHYSICAL DAMAGE INSURANCE SPECIFIED PERILS COVERAGE	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS \$25 OEO. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MALICIOUS MISCHIEF OR VANDALISM			
			PHYSICAL DAMAGE INSURANCE COLLISION COVERAGE	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS \$ — OEO. FOR EACH COVERED AUTO			
X			PHYSICAL DAMAGE INSURANCE TOWING & LABOR (Not available in Calif.)	XXXXXXXXXXXXXXXXXXXXX \$25 FOR EACH REMOVAL OF A PRIVATE PASSENGER CAR CIGA	16.	13.	

6. ACCEPTED BY (YOUR SIGNATURE)

subtotals ►

\$ 1658.

\$ 1350.

\$

PREMIUM DUE \$ 1350.

OR ☐ TO BE DETERMINED AT AUDIT

☒ ADDITIONAL
☐ RETURN

(TO BE SIGNED BY YOU WHEN COVERAGE IS ELIMINATED OR REDUCED)

Effective 12/15/89

this endorsement forms a part of Policy No. OL 855-7707

Endorsement No. 111

POLICY PERIOD: Effective 10/8/89
2/23/90 In

Expiration 10/8/90

Issued to SAMSON AUTO SALVAGE

SUPPLEMENTAL COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply only to those coverages declared on the Supplemental Commercial Inland Marine Declarations, Form CM 70 06 08 87, and apply in addition to the Common Policy Conditions and the terms and conditions contained in the coverage forms shown on the Supplemental Commercial Inland Marine Declarations.

1. **Misrepresentation and Fraud.** The coverage forms to which these conditions apply shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.
2. **Notice of Loss.** The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under the coverage forms to which these conditions apply and shall also file with the Company or its agent within sixty (60) days from date the company requests it, a detailed sworn proof of loss.
3. **Examination Under Oath.** The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **VALUATION.** THE COMPANY SHALL NOT BE LIABLE BEYOND THE ACTUAL CASH VALUE OF THE PROPERTY AT THE TIME ANY LOSS OR DAMAGE OCCURS AND THE LOSS OR DAMAGE SHALL BE ASCERTAINED OR ESTIMATED ACCORDING TO SUCH ACTUAL CASH VALUE WITH PROPER DEDUCTION FOR DEPRECIATION, HOWEVER CAUSED, AND SHALL IN NO EVENT EXCEED WHAT IT WOULD THEN COST TO REPAIR OR REPLACE THE SAME WITH MATERIAL OF LIKE KIND AND QUALITY.
5. **Settlement of Loss.** All adjusted claims shall be paid or made good to the Insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.
6. **No Benefit to Bailee.** This insurance shall in nowise inure directly or indirectly to the benefit of any carrier or other bailee.
7. **Subrogation or Loan.** If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.
8. **Loss Clause.** Any loss hereunder shall not reduce the amount of this insurance, except in the event of payment of claim for total loss of an item specifically scheduled hereon. If claim is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the Insured or applied to the premium due on item(s) replacing those on which the claim was paid.
9. **PAIR, SET OR PARTS. IN THE EVENT OF LOSS OR DAMAGE TO:**
 - A. ANY ARTICLE OR ARTICLES WHICH ARE A PART OF A PAIR OR SET, THE MEASURE OF LOSS OF OR DAMAGE TO SUCH ARTICLE OR ARTICLES SHALL BE REASONABLE AND FAIR PROPORTION OF THE TOTAL VALUE OF THE PAIR OR SET, GIVING CONSIDERATION TO THE IMPORTANCE OF

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Throughout this Coverage Part, the words "the insured", "an insured", and "any insured" refer to any person or organization qualifying as an insured under SECTION II—WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V—DEFINITIONS.

SECTION I—COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS—COVERAGES A AND B. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "suit" seeking those damages. But:
 - (1) The amount we will pay for damages is limited as described in SECTION III—LIMITS OF INSURANCE;
 - (2) We may investigate and settle any claim or "suit" at our discretion; and
 - (3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
 - (4) Where by agreement or pursuant to law, you select the attorney who will conduct the defense of a claim or suit against you, our obligation to pay the attorney fees is limited to reimbursing you for that portion of any fee incurred which is not in excess of the usual and customary fee charged by defense counsel competent in defending claims of the kind covered by this insurance in the county where the suit would ordinarily be tried.
- b. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- c. "Property damage" that is loss of use of tangible

property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
 - (1) Assumed in a contract or agreement that is an "insured contract"; or
 - (2) That the insured would have in the absence of the contract or agreement.
- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
 - (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.
- d. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- e. "Bodily injury" to:
 - (1) An employee of the insured arising out of and in the course of employment by the insured; or
 - (2) The spouse, child, parent, brother or sister

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No. OL 855-7707

Effective Date: 10/8/89 **
12:01 A.M., Standard Time

LIMITS OF INSURANCE									
General Aggregate Limit (Other Than Products—Completed Operations)					\$ 1,000,000.				
Products—Completed Operations Aggregate Limit					\$ 1,000,000.				
Personal and Advertising Injury Limit					\$ 1,000,000.				
Each Occurrence Limit					\$ 1,000,000.				
Fire Damage Limit					\$ 50,000. Any One Fire				
Medical Expense Limit					\$ 5,000. Any One person				
RETROACTIVE DATE (CG 75 01 only)									
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: _____									
(Enter Date or "None" if no Retroactive Date applies)									
BUSINESS DESCRIPTION AND LOCATION OF PREMISES									
Form of Business:									
<input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation									
Business Description*:									
AUTO DISMANTLER									
Location of All Premises You Own, Rent or Occupy:									
1) 11590 TUXFORD STREET, SUN VALLEY, CA.									
2) 8103 S. ALAMEDA STREET, LOS ANGELES, CA.									
PREMIUM									
Loc.	Classification	Code No.	Premium Basis	Rate Pr/CO	All Other	Advance Premium Pr/CO	All Other		
						\$		\$	
1)	AUTO DISMANTLING WHOLESALE RATED AS AUTO PARTS AND SUPPLIES DISTRIBUTORS	99999	S)2,400,000		4.83			11,592.	
1)	AUTO DISMANTLING RETAIL RATED AS AUTO PARTS AND SUPPLIES STORES	99999	S)769,734		9.65			7,428.	
Total Advance Premium						\$ 19,020.			
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)									
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:									
CG7500(7/89)									

*Information omitted if shown elsewhere in the policy.

**Inclusion of date optional.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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Automobile Schedule

ISSUED TO

SAMSON AUTO SALVAGE

PAGE

1 of 8

ATTACHED TO AND FORMING
PART OF POLICY NO.

OL 855-7707

EFFECTIVE DATE

10/8/89

POLICY PERIOD

10/8/89 TO 10/8/90

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

UNIT NO.	YEAR	DESCRIPTION OF VEHICLE - MAKE, MODEL, BODY TYPE, SERIAL NO., VEHICLE I.D. NO. (VIN), WEIGHT				DEDUCTIBLE COMPREHENSIVE COLLISION	LIABILITY	MED. PAY.	UNINS. MOTOR.	COMPREHENSIVE	COLLISION	SPECIFIED PERILS	P.I.P.	ADD'L P.I.P.	TOWING
		CLASS	LOCATION	SYMBOL OR NEW COST	AMT. OF INSURANCE										
8	79	FORD TRACTOR #7960VFE5209 21499	T-006	7000-6		250	2274.	-	-	38.	-				
9	74	GMC TRACTOR #TDH924V594594 21499	T-006	7000-6		250	2274.	-	-	38.	-				
11	78	INT'L. TRACTOR #E2327HGA10004 21499	T-006	9500-6		250	2274.	-	-	51.	-				
16	65	UTILITY TRAILER #30570 69499	T-006	500-6		250	INCL.	-	-	8.	-				
17	73	GMC TRACTOR #TDH924V594594 21499	T-006	7000-6		250	2274.	-	-	38.	-				
18	74	COOK BROS. TRAILER #H5726 68499	T-006	3000-6		250	326.	-	-	12.	-				
19	76	KENWORTH TRACTOR #244362J 21499	T-006	9900-6		250	2274	-	-	51.	-				
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS															
LIABILITY INSURANCE-RATING BASIS, COST OF HIRE**															
STATE		EST. COST OF HIRE FOR EACH STATE		RATE PER EACH \$100 COST OF HIRE											
SCHEDULE FOR NON-OWNERSHIP LIABILITY															
NAMED INSURED'S BUSINESS		RATING BASIS		NUMBER											
Other than a social service agency		Number of employees													
Social service agency		Number of employees													
		Number of volunteers													
totals ▲															

** "ACV" means Actual Cash Value.

** "COST OF HIRE" means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

BUSINESS AUTO COVERAGE PART DECLARATIONS

Policy No. OL 855-7707

Effective Date: 10/8/89

**

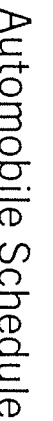
12:01 A.M., Standard Time

ITEM TWO SCHEDULE OF COVERAGES AND COVERED AUTOS <small>This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.</small>			
COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	1	\$ 1,000,000.	86,372.
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)		SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS \$ Ded	
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault Coverage)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	
PROPERTY PROTECTION INSURANCE (MICHIGAN ONLY)		SEPARATELY STATED IN THE P.I.P. ENDORSEMENT MINUS \$ Ded FOR EACH ACCIDENT	
AUTO MEDICAL PAYMENTS	N/C	\$ N/C	-
UNINSURED MOTORISTS	N/C	\$ N/C	-
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)		\$	
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	2	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ 250 . Ded. FOR EACH COVERED AUTO BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING. See ITEM FOUR for hired or borrowed "autos."	3,407.
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$25 Ded. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR for hired or borrowed "autos."	
PHYSICAL DAMAGE COLLISION COVERAGE	7	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ 500 . Ded. FOR EACH COVERED AUTO. See ITEM FOUR for hired or borrowed "autos."	615.
PHYSICAL DAMAGE TOWING AND LABOR (NOT AVAILABLE IN CALIFORNIA)		\$ for each disablement of a private passenger "auto."	
PREMIUM FOR ENDORSEMENTS			86.
ESTIMATED TOTAL PREMIUM			90,480.
ENDORSEMENTS ATTACHED TO THIS POLICY: CA0001(1/87), CA0143(1/87), CA2171(1/88), IL404R1(1/80), CA0029(1/88), CA7605(8/87), CA2155(1/87), CA0305(1/87)			
IL 00 21 11 85—Broad Form Nuclear Exclusion (Not applicable in New York)			

**Inclusion of date optional

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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ISSUED TO SAMSON AUTO SALVAGE

PAGE
2

CHILDREN AUTO SALVAGE	2	of 8
ATTACHED TO AND FORMING PART OF POLICY NO. OL 855-7707	EFFECTIVE DATE	POLICY PERIOD
	10/8/89	10/8/89 TO 10/8/90

PREMIUM IN DOLLARS

PREMIUM IN DOLLARS									
CLASS	CHURCH	EDUCATION	RECREATION	TRAVEL	INSURANCE	OTHER	TOTAL	PERCENT	REMARKS
4771.	-	-	86.	-	-	-	-	-	
INCL.	-	-	9.	-	-	-	-	-	
326.	-	-	12.	-	-	-	-	-	
326.	-	-	29.	-	-	-	-	-	
4771.	-	-	674.	-	-	-	-	-	
1439.	-	-	484.	615.	-	-	-	-	
1598.	-	-	45.	-	-	-	-	-	

- **"COST OF HIRE"** means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Automobile Schedule

ISSUED TO	SAMSON AUTO SALVAGE	PAGE	3
ATTACHED TO AND FORMING PART OF POLICY NO.	OL 855-7707	EFFECTIVE DATE	10/8/89 TO 10/8/90
		POLICY PERIOD	10/8/89 TO 10/8/90

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

UNIT NO.	YEAR	DESCRIPTION OF VEHICLE	MAKE, MODEL, BODY TYPE, SERIAL NO., VEHICLE I.D. NO. (V.I.N.), WEIGHT	CLASS	LOCATION	SYMBOL OR NEW COST	AMT. OF INSURANCE*	DEDUCTIBLE	COMPRE HENSIVE	COLLISION	LIABILITY	MED. PAY.	UNINS. MOTOR	COMPRE HENSIVE	COLLISION	SPECIFIED PERILS	P.I.P.	ADOL. TOWING
33	71	CHEV. - 2 DOOR	#124871N577127	7398	T-007	3500-6		250	-	-	1598.	-	-	17.	-			
34	82	CHEV. 4 DOOR	#2G1AL69LXC1247457	7398	T-007	4000-6		250	-	-	1598.	-	-	17.	-			
35	81	CADILLAC 2 DOOR	#1GLAD4796B912910	7398	T-015	21,000-6		250	-	-	1439.	-	-	220.	-			
36	74	DATSUN 2 DOOR	#RLF30041053	7398	T-015	2000-6		250	-	-	1439.	-	-	17.	-			
37	82	OLDS. 4 DOOR SEDAN	#1G3AL69N5CM215156	7398	T-014	10,800-6		250	-	-	1439.	-	-	105.	-			
38	80	MALIBU 2 DOOR	#1W80AAR438656	7398	T-015	3000-6		250	-	-	1439.	-	-	17.	-			
39	79	REGAL 2 DOOR BUICK	#4M47YRH188320	7398	T-059	6000-6		250	-	-	802.	-	-	17.	-			

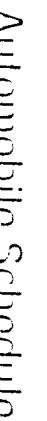
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

STATE	EST. COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	LIABILITY	MED. PAY.	UNINS. MOTOR	COMPRE HENSIVE	COLLISION	SPECIFIED PERILS	P.I.P.	ADOL. TOWING

SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER
Other than a social service agency	Number of employees	
Social service agency	Number of employees	
	Number of volunteers	
totals		

* "ACV" means Actual Cash Value. ** "COST OF HIRE" means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

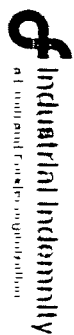


Automobile Schedule

[illegible][illegible][illegible]

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Automobile Schedule

REGULATIONS OF THE BOARD OF THE INSURANCE

PROPERTY	DATE	BY	REMARKS
CLAMSON AIRPORT SALVAGE	10/8/89		
ALABAMA POWER CO. SALVAGE	10/8/89		
ALABAMA POWER CO.	10/8/89		
OL. B55-7707	10/8/89		

UNIT NO.	VEHICLE	CLASS	LOCATION	SYMBOL OR NEW COST	AMT. OF INSURANCE	ODOMETER READING	EST. VALUE	DATE ACQ.	DATE DISC.	DATE PUR.	DATE SALE	DATE TRANSFER
1	77	GMC PICKUP #TCL237523488 01499	T-006	4500-6	5974.	250	-	1401.	-	18.	-	-
2	81	INT'L. TON TRUCK #IHTA168B8HB17478 21451	T-006	18,000-6	111,700.	250	-	2172.	-	169.	-	-
3	77	GMC PICKUP #TCL237523448 01499	T-006	4500-6	23,981.	250	-	1401.	-	18.	-	-
4	75	CHEV. TOW TRUCK #CCY335Z142593 21451	T-006	13,500-6	86,908.	250	-	2172.	-	86.	-	-
5	77	CHEV. TOW TRUCK #TCL337Z508223 33451	T-006	18,000-6		250	-	3944	-	169.	-	-
6	73	CHEV. MALIBU #IC80F3Z481302 7398	T-006	7000-6	9982.	250	-	1034.	-	45.	-	-

[illegible]

SCHEDULE FOR NON-OWNERSHIP LIABILITY									
NAMED INSURED'S BUSINESS		RATING BASIS		NUMBER					
Other than a social service agency		Number of employees							
Social service agency		Number of employees							
		Number of volunteers							

* "ACV" means Actual Cash Value.

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Automobile Schedule

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

ISSUED TO		POLICY NO.	
SAMSON AUTO SAVINGS		6 8	
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED		EFFECTIVE DATE	
OL 855-7707		10/8/89 TO 10/8/90	

UNIT NO.	YEAR	CLASS	LOCATION	SYMBOL OR NEW COST	AMT. OF INSURANCE*	PRODUCTIVITY	LIABILITY	MCD. PAY.	INNS. MOTOR	COMPR. INTENSIVE	COLLISION	STOLEN	P.L.P.	ADDITIONAL P.L.P.
7	73	FORD TOW TRUCK #F60DCR95142	T-006	5000-6	49,837.	250	2172.	-	-	42.	-	-	-	-
10	82	GMC 2 DOOR #1GTCW80H5CR502115	T-006	2000-6	22,155.	250	1401.	-	-	18.	-	-	-	-
12	74	INT'L. TOW TRUCK #10675DHA24667	T-006	6500-6	40,269.	250	2172	-	-	60.	-	-	-	-
13	77	GMC STK. TRAILER #T16DB9V582588	T-006	3400-6	65,537.	250	1401	-	-	18.	-	-	-	-
14	74	FORD TOW TRUCK #F75FV127993	T-006	7000-6	17,764.	250	2172	-	-	60.	-	-	-	-
15	56	GMC STK. TRUCK #SC56L003027	T-006	2000-6	88,477.	250	1401	-	-	18.	-	-	-	-

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

STATE	EST. COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE

SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER
Other than a social service agency	Number of employees	
Social service agency	Number of volunteers	
totals		

* "ACV" means Actual Cash Value.

** "COST OF HIRE" means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Automobile Schedule

ISSUED TO

SAMSON AUTO SALVAGE

PAGE

7 of 8

ATTACHED TO AND FORMING PART OF POLICY NO.

OL 855-7707

EFFECTIVE DATE

10/8/89

POLICY PERIOD

10/8/89 TO 10/8/90

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

LINE	MAKE	MODEL	YEAR	VEHICLE IDENTIFICATION NUMBER	VEHICLE TYPE	VEHICLE VALUE	VEHICLE RATING	VEHICLE PREMIUM	VEHICLE DEDUCTIBLE	VEHICLE COINSURANCE	VEHICLE EXCESS	VEHICLE TOTAL PREMIUM	VEHICLE TOTAL DEDUCTIBLE	VEHICLE TOTAL COINSURANCE	VEHICLE TOTAL EXCESS	VEHICLE TOTAL
22	67	CHEV. TOW TRUCK	1967	1T-006	14,016.	250	-	2172.	-	-	81.	-	-	-	-	-
23	72	FORD TOW TRUCK	1967	1T-006	5000-6	99,887.	250	-	2172.	-	-	42.	-	-	-	-
24	69	CHEV. TOW TRUCK	1969	1T-006	9000-6	85,070.	250	-	2172.	-	-	81.	-	-	-	-
25	82	CHEV. TOW TRUCK	1982	1T-006	9000-6	250	-	2172.	-	-	81.	-	-	-	-	-
26	72	FORD TOW TRUCK	1972	1T-006	12,000-6	250	-	2172.	-	-	116.	-	-	-	-	-
30	78	FORD TOW TRUCK	1978	1T-006	9000-6	250	-	2172.	-	-	81.	-	-	-	-	-

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

STATE	EST. COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	NUMBER	TOTALS

SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	TOTALS
Other than a social service agency	Number of employees		
Social service agency	Number of volunteers		

* "ACV" means Actual Cash Value.

* "COST OF HIRE" means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.



Automobile Schedule

1000

CAMSON AUTO SALVAGE

ADAPTATION AND COMING

OT, 855-7707

EFFECTIVE DATE	POLICY PERIOD	DA
10/8/89	10/8/89 TO 10/8/90	

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

[illegible]

• "ACV" means Actual Cash Value.

•• “COST OF HIRE” means the total amount you incur for the hire of autos you don’t own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

IL404 R1 (1/80)

NOTICE OF CANCELLATION, (RENEWAL, CONDITIONED RENEWAL OR CHANGE IN POLICY PREMIUM/TERMS
(California)

INSURANCE COMPANY . INDUSTRIAL INDEMNITY COMPANY
P. O. BOX 7365
SAN FRANCISCO, CA 94120

NAME AND ADDRESS . SAMSON AUTO SALVAGE, ETAL
11590 TUXFORD STREET
OF INSURED . SUN VALLEY, CA 91352

KIND OF POLICY:

POLICY NO.: OL 903-1705

CANCELLATION, EXPIRATION OR CHANGE WILL TAKE EFFECT AT:

10/08/89 12:00 A.M.

(DATE)

(HOUR-STANDARD TIME)

DATE OF MAILING: 08/10/89

ISSUED THROUGH AGENCY OR OFFICE AT:

ALEXANDER & ALEXANDER

(Applicable item marked [X])

CANCEL-
LATION

☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.

☐ Reason for cancellation: Nonpayment of premium.

☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.

☐ Reason for cancellation: Nonpayment of premium.

Reason(s) for cancellation (other than for nonpayment of premium):

If this cancellation pertains to a policy providing insurance on real property used predominantly for residential purposes, consisting of not more than four dwelling units, or on personal property other than that used in the conduct of a commercial or industrial enterprise, or for legal liability primarily for risks other than those arising from the conduct of a commercial or industrial enterprise, and the policy, if an original, has been in effect 60 days or more or it is a renewal, upon your written request we will furnish the facts on which the cancellation is based.

See also the "Important Notices" section below for Additional Information Regarding the Reason(s) for Cancellation, and for other information that may apply.

Premium
Adjustment

☐ A bill for the premium earned to the time of cancellation will be forwarded in due course.

☐ Premium adjustment will be made as soon as practicable after cancellation becomes effective.

☐ Other:

☐ Enclosed is \$, being amount of return premium at pro rata rate for the unexpired term of this policy.

☐ The excess of paid premium, if any, above the pro rata premium for the expired time, (if not tendered) will be refunded upon demand.

NON-
RENEWAL

☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy will expire effective at and from the hour and date mentioned above and the policy will NOT be renewed.

Reason(s) for nonrenewal:

See the "Important Notices" section below for Additional Information Regarding the Reason(s) for Nonrenewal and other information that may apply.

CONDI-
TIONED
RENEWAL

☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy, which will expire effective at and from the hour and date mentioned above, will be renewed, however, the renewal will be conditioned on one or more of the following changes being made in the renewal policy (such being a reduction of limits, elimination of coverages, increase in deductibles or increase of more than 25% in the rate upon which the premium is based):

Description of change(s) and/or the amount of any premium increase (description continued on separate sheet(s) if necessary):

and in accordance with law, that there will be a premium increase,



NAMED INSURED : Samson Auto Salvage, Etal
DATE OF THIS NOTICE : 08/10/89
POLICY NUMBER : OL 903-1705
RENEWAL DATE : 10/08/89
PRODUCER : Alexander & Alexander

ASSEMBLY BILL 3875 OF THE 1986 CALIFORNIA LEGISLATURE ADDED CALIFORNIA INSURANCE CODE SECTION 678.1. THIS REQUIRES THAT WE GIVE YOU AT LEAST 45 DAYS' NOTICE IF WE INTEND TO CONDITION RENEWAL OF YOUR POLICY UPON: REDUCTION OF LIMITS; ELIMINATION OF COVERAGES; INCREASE IN DEDUCTIBLES; OR, MORE THAN 25% INCREASE IN THE RATE UPON WHICH YOUR PREMIUM IS BASED.

IN ORDER TO COMPLY WITH AB3875, WE ARE NOTIFYING YOU OF OUR INTENT TO CONDITION YOUR RENEWAL UPON THE FOLLOWING CHANGES: STOCK COVERAGE IS NO LONGER AVAILABLE AND WILL BE DELETED FROM YOUR POLICY.

THE CHANGES SHOWN ABOVE WILL BE EFFECTIVE ON THE RENEWAL DATE SHOWN. WE VALUE YOU AS A CLIENT AND WOULD LIKE YOU TO CHOOSE TO RENEW YOUR POLICY WITH US.

IF YOU HAVE NOT DONE SO, PLEASE CONTACT YOUR AGENT OR BROKER TO ARRANGE FOR RENEWAL OF YOUR INDUSTRIAL INDEMNITY POLIY.

* COMPANY MEMO *

AGENCY CODE:

CALIFORNIA INSURANCE COMPANY
275 BATTERY STREET, 9TH FLOOR
SAN FRANCISCO, CA 94111

To: L. J. HAUS

Re: SAMSON AUTO SALVAGE

INSURED: SAMSON AUTO SALVAGE
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA 91352

POLICY NO: QL 855-7707
EFF. DATE: 10/08/89

TYPE: AP
EXP DATE: 10/08/90

Dear L J.: In accordance with your discussion with Bill Martin last
friday, enclosed is a formal binder in triplicate. Please sign and
return two copies as soon as possible.

Many thanks for your help on this.

Bev
also

enclosure

FROM: Beverly J. Griggs, CPIW

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA 94119

Beverly J. Griggs, CPIW

Alexander & Alexander of California Inc.
Two Embarcadero Center
P. O. Box 3803
San Francisco, California 94119
Direct Line: 415 296-1474
Office: 415 296-1300
Fax: 415 296-1499

**Alexander
& Alexander**

**Alexander
& Alexander**

January 8, 1990

FEDERAL EXPRESS

Mr. Bernard Lehrer
SAMSON AUTO SALVAGE
11590 Tuxford Street
Sun Valley, CA 91352

Re: Commercial Package Coverage
Policy No. OL 855-7707
CALIFORNIA INSURANCE COMPANY

Dear Bernie:

I am enclosing some documents for your renewal. Please review and return the copy of the application signed and to my attention. In addition, I need to know how long you have been in business; how many dismantler and dealer plates you have?

Originals of binders issued: #10075; #10099 and #10109 enclosed pending policy issuance.

Should you have any questions, Bernie, please give me a call.

Best regards,

Beverly J. Griggs

Beverly J. Griggs, CPIW
Account Manager

encls.

Alexander & Alexander of California, Inc.
Two Embarcadero Center
P.O. Box 3803
San Francisco, California 94119
Telephone 415 296-1300
FAX 415 296-1499
T.VX 310 372-6039

**Alexander
& Alexander**

January 5, 1990

Mr. Don Adlen
4145 via Marina, #115
Marina Del Rey, CA 90292

Re: Commercial Package Coverage
Policy No. OL 855-7707
CALIFORNIA INSURANCE COMPANY

Dear Don:

I apologize for getting these binder copies to you so late. With all the holidays and natural chaos this time of year, my note was buried.

Enclosed are copies of the binders issued as evidence of coverage pending policy issuance:

#10075	10-8-89 to 12-8-89
#10099	12-8-89 to 01-8-90
#10109	01-8-90 to 02-8-90

Best regards,

Beverly J. Griggs

Beverly J. Griggs, CPIW
Account Manager

encls.

✓ cc: Bernard Lehrer

*Bernie - Don said
something about a
1986 El Dorado - are
we supposed to have
on our list? - BW*

01/05/90

COMPANY
CALIFORNIA INSURANCE COMPANY

BINDER NO. 10109
SCADA-07

SLIB-CODE

EFFECTIVE		EXPIRATION	
DATE	TIME	DATE	TIME
01/08/90	12:01 <input checked="" type="checkbox"/> AM [] PM	02/08/90	<input checked="" type="checkbox"/> 12:01 AM [] NOON

☒ THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.: **OL9031705/10075**

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION)
AUTO DISMANTLER

ASSIGNED POLICY NO.: OL 855-7707

extends binder #10099

INSURED
SAMSON AUTO SALVAGE et al
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA
91352

COVERAGES <=====		ALL LIABILITY LIMITS IN THOUSANDS ==>		
TYPE OF INSURANCE	COVERAGES/FORMS	AMOUNT	DED	CO-INS
Property				

CAUSES OF LOSS
[] BASIC [] BROAD [X] SPECIAL
[X] REPLACEMENT COST
[]

PERSONAL PROPERTY

1000	250	90
------	-----	----

General Liability
☒ COMMERCIAL GENERAL LIABILITY
☐ ☐ CLAIMS MADE ☒ OCC.
☐ OWNER'S & CONTRACTORS
 PROTECTIVE
☐
☐

RETRO DATE FOR CLAIMS MADE:

GENERAL AGGREGATE	\$ 100000
PRODUCTS-COMP/OPS AGG	\$ 100000
PERSONAL & ADVTG INJURY	\$ 100000
EACH OCCURRENCE	\$ 100000
FIRE DAMAGE	\$ 50000
(ANY ONE FIRE)	
MED EXP (ANY ONE PERS)	\$ 5000

Automobile
☒ LIABILITY
☒ NON/OWNED
☒ HIRED
☒ GARAGE
☒ UNINSURED MOTORIST P.D.

☒ ALL VEHICLES ☐ SCHEDULED VEHICLES

CSL	\$ 100000
BI PERS/ACCID	\$
PD	\$
MED. PAY	\$
PIP	\$
UM	\$

Auto Physical Damage
X1 COLLISION DED: 500
X1 OTC DED: 250

[] ALL VEHICLES **X**] SCHEDULED VEHICLES

<input checked="" type="checkbox"/> ACV	
<input type="checkbox"/> STATED AMOUNT	\$
<input type="checkbox"/> OTHER	

Excess Liability
☐ UMBRELLA FORM
☐ OTHER THAN UMBRELLA FORM

RETRO DATE FOR CLAIMS MADE:

EACH OCCURRENCE	AGGREGATE	SELF-INSURED RETENTION
--------------------	-----------	---------------------------

Worker's Compensation
and
Employers' Liability

STATUTORY
\$ (EACH ACCIDENT)
\$ (DISEASE-POLICY LIMIT)
\$ (DISEASE-EACH EMPLOYEE)

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES
WAIVER OF COLLISION DEDUCTIBLE
INLAND MARINE: \$116000 CONTRACTORS EQUIPMENT W/250 DEDUCTIBLE

> NAME & ADDRESS <=====

FIRST INTERSTATE BANK
200 PINE STREET
P. O BOX 1490
LONG BEACH, CA
90801

[] MORTGAGEE [] ADDITIONAL INSURED
X] LOSS PAYEE []
LOAN # 0158024711

[] MORTGAGEE [] ADDITIONAL INSURED
[] LOSS PAYEE []
LOAN #

This binder is a temporary insurance contract, subject to the conditions shown.
CONDITIONS: This Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.
 This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

ACORD 75-S (2/88)

AUTHORIZED REPRESENTATIVE

Estli Am Soul 1/9/00

INSURANCE BINDER:

12/12/89

PRODUCER

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA
94119

PHONE 415-296-1300
CODE

SUB-CODE

COMPANY

CALIFORNIA INSURANCE COMPANY

BINDER NO. 10099
SCADA-07

EFFECTIVE		EXPIRATION	
DATE	TIME	DATE	TIME
12/08/89	12:01 [X] AM [] PM	01/08/90	[X] 12:01AM [] NOON

[X] THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.: OL9031705/10075

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION)
AUTO DISMANTLER

ASSIGNED POLICY NO.: OL 855-7707

INSURED

SAMSON AUTO SALVAGE et al
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA
91352

COVERAGES/FORMS		ALL LIABILITY LIMITS IN THOUSANDS ==		
TYPE OF INSURANCE		AMOUNT	DED	CO-INS
Property CAUSES OF LOSS [] BASIC [] BROAD [X] SPECIAL [X] REPLACEMENT COST []	PERSONAL PROPERTY	1000	250	90
General Liability [X] COMMERCIAL GENERAL LIABILITY [] [] CLAIMS MADE [X] OCC. [] OWNER'S & CONTRACTORS PROTECTIVE [] []	RETRO DATE FOR CLAIMS MADE:	GENERAL AGGREGATE \$ 100000 PRODUCTS-COMP/OPS AGG \$ 100000 PERSONAL & ADVTG INJURY \$ 100000 EACH OCCURRENCE \$ 100000 FIRE DAMAGE \$ 50000 (ANY ONE FIRE) MED EXP (ANY ONE PERS) \$ 5000		
Automobile [X] LIABILITY [X] NON/OWNED [X] HIRED [X] GARAGE [X] UNINSURED MOTORIST P.D.	[X] ALL VEHICLES [] SCHEDULED VEHICLES	CSL \$ 100000 BI PERS/ACCID \$ PD \$ MED. PAY \$ PIP \$ UM \$		
Auto Physical Damage [X] COLLISION DED: 500 [X] OTC DED: 250	[] ALL VEHICLES [X] SCHEDULED VEHICLES	[X] ACV [] STATED AMOUNT \$ [] OTHER		
Excess Liability [] UMBRELLA FORM [] OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE	AGGREGATE	SELF-INSURED RETENTION
Worker's Compensation and Employers' Liability		STATUTORY \$ (EACH ACCIDENT) \$ (DISEASE-POLICY LIMIT) \$ (DISEASE-EACH EMPLOYEE)		

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES

WAIVER OF COLLISION DEDUCTIBLE

INLAND MARINE: \$116000 CONTRACTORS EQUIPMENT W/250 DEDUCTIBLE

> NAME & ADDRESS <=====

FIRST INTERSTATE BANK
200 PINE STREET
P. O BOX 1490
LONG BEACH, CA
90801

[] MORTGAGEE [] ADDITIONAL INSURED
[X] LOSS PAYEE []
LOAN # 0158024711

[] MORTGAGEE [] ADDITIONAL INSURED
[] LOSS PAYEE []
LOAN #

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ACORD 75-S (2/88)

AUTHORIZED REPRESENTATIVE

Lesli Ann Lamb 12/13/89

INSURANCE BINDER:

10/31/89

PRODUCER
ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA
94119

COMPANY
CALIFORNIA INSURANCE COMPANY

BINDER NO. 10075
SCADA-07

PHONE 415-296-1300
CODE

SUB-CODE

EFFECTIVE		EXPIRATION	
DATE	TIME	DATE	TIME
10/08/89	12:01 [X] AM [] PM	12/08/89	[X] 12:01 AM [] NOON

[X] THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.: OL 903-1705
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION)
AUTO DISMANTLER

ASSIGNED POLICY NO.: OL 855-7707

INSURED
SAMSON AUTO SALVAGE et al
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA
91352

COVERAGES <=====	COVERAGES/FORMS	ALL LIABILITY LIMITS IN THOUSANDS ==		
		AMOUNT	DED	CO-INS
TYPE OF INSURANCE Property CAUSES OF LOSS [] BASIC [] BROAD [X] SPECIAL [X] REPLACEMENT COST []	PERSONAL PROPERTY	1000	250	90
General Liability [X] COMMERCIAL GENERAL LIABILITY [] [] CLAIMS MADE [X] OCC. [] OWNER'S & CONTRACTORS PROTECTIVE [] []	RETRO DATE FOR CLAIMS MADE: [X] ALL VEHICLES [] SCHEDULED VEHICLES	GENERAL AGGREGATE \$ 100000 PRODUCTS-COMP/OPS AGG \$ 100000 PERSONAL & ADVTG INJURY \$ 100000 EACH OCCURRENCE \$ 100000 FIRE DAMAGE \$ 50000 (ANY ONE FIRE) MED EXP (ANY ONE PERS) \$ 5000		
Automobile [X] LIABILITY [X] NON/OWNED [X] HIRED [X] GARAGE [X] UNINSURED MOTORIST P.D.		CSL \$ 100000 BI PERS/ACCID \$ PD \$ MED. PAY \$ PIP \$ UM \$		
Auto Physical Damage [X] COLLISION DED: 500 [X] OTC DED: 250	[] ALL VEHICLES [X] SCHEDULED VEHICLES	[X] ACV [] STATED AMOUNT \$ [] OTHER		
Excess Liability [] UMBRELLA FORM [] OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE AGGREGATE SELF-INSURED RETENTION		
Worker's Compensation and Employers' Liability		STATUTORY \$ (EACH ACCIDENT) \$ (DISEASE-POLICY LIMIT) \$ (DISEASE-EACH EMPLOYEE)		

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES

WAIVER OF COLLISION DEDUCTIBLE

INLAND MARINE: \$116000 CONTRACTORS EQUIPMENT W/250 DEDUCTIBLE

> NAME & ADDRESS <=====

FIRST INTERSTATE BANK
200 PINE STREET
P. O BOX 1490
LONG BEACH, CA
90801

[] MORTGAGEE [] ADDITIONAL INSURED
[X] LOSS PAYEE []
LOAN # 0158024711

[] MORTGAGEE [] ADDITIONAL INSURED
[] LOSS PAYEE []
LOAN #

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ACORD 75-S (2/88)

AUTHORIZED REPRESENTATIVE

[Signature]

CERTIFICATE OF INSURANCE
01/05/90

PRODUCER
ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA
94119
PHONE 415-296-1300

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE
INSURED

SAMSON AUTO SALVAGE etal
Bernard Lehrer
11590 Tuxford Street
Sun Valley, CA
91352

COMPANY LETTER **A** **CALIFORNIA INSURANCE COMPANY**

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

> COVERAGES <=====

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF DATE	POLICY EXP DATE	ALL LIMITS IN THOUSANDS	
A	GENERAL LIABILITY	OL 855-7707	10/08/89	10/08/90	GENERAL AGGREGATE	100000
	<input checked="" type="checkbox"/> COMMERCIAL GEN LIABILITY				PRODS-COMP/OPS AGG.	100000
	<input type="checkbox"/> [] CLAIMS MADE <input checked="" type="checkbox"/> OCC.				PERS. & ADVG. INJURY	100000
	<input type="checkbox"/> OWNER'S & CONTRACTORS PROTECTIVE				EACH OCCURRENCE	100000
	<input type="checkbox"/>				FIRE DAMAGE (ANY ONE FIRE)	50000
A	AUTOMOBILE LIAB	OL 855-7707	10/08/89	10/08/90	MEDICAL EXPENSE (ANY ONE PERSON)	5000
	<input checked="" type="checkbox"/> ANY AUTO				CSL	100000
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (PER PERSON)	
	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (PER ACCIDENT)	
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY	
A	<input checked="" type="checkbox"/> NON-OWNED AUTOS					
A	<input checked="" type="checkbox"/> GARAGE LIABILITY					
A	<input checked="" type="checkbox"/> UNINSURED MOTOR					
	EXCESS LIABILITY				EACH OCC	AGGREGATE
	<input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM					
	WORKERS' COMP AND EMPLOYERS' LIAB				STATUTORY	EACH ACC DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE
A	OTHER PHYSICAL DAMAGE SCHEDULED VEHICLES	OL 855-7707	10/08/89	10/08/90	250 500	COMP DED COLL DED

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

**CERTIFICATE HOLDER IS NAMED LOSS PAYEE WITH RESPECTS TO 1989 CADILLAC
SEVILLE VIN#1G6KS5156KU817739**

> CERTIFICATE HOLDER <=====

FIRST INTERSTATE BANK
WIL FORD
200 PINE STREET/PO BOX 1490
LONG BEACH, CA
90801

CANCELLATION <=====

= SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EX-
= PIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30
= DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT
= FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF
= ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

= AUTHORIZED REPRESENTATIVE

Beverly J. Griggs

ACORD 25-S (3/88)

EVIDENCE OF PROPERTY INSURANCE

11/06/89

THIS IS EVIDENCE THAT THE INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY

[] PRODUCER

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA 94119

PHONE 415-296-1300

CODE

SUB-CODE

COMPANY

CALIFORNIA INSURANCE COMPANY

INSURED

SAMSON AUTO SALVAGE, ET AL
BERNIE LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA
91352

LOAN NUMBER

0158024711

POLICY NUMBER

OL855-7707

EFF. DATE (MM/DD/YY)

10/08/89

EXP. DATE (MM/DD/YY)

10/08/90

continuous until
terminated if
checked []

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

11590 TUXFORD STREET
SUN VALLEY, CA
91352

COVERAGE INFORMATION

Coverages/Perils/Forms

Amount of Insurance

Deductible

INLAND MARINE - SPECIAL FORM

116000

250

REMARKS (Including Special Conditions)

AS RESPECTS: 1989 BIG MAC CAR CRUSHER
SERIAL # 815-13489

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS

FIRST INTERSTATE BANK
DALE
200 PINE STREET- P.O. BOX 1490
LONG BEACH, CA
90801

ACORD 27 (2/88)

NATURE OF INTEREST

[] Mortgagee [] Additional Insured

[X] Loss Payee

(Other) 438 BFU ATTACHED

SIGNATURE OF AUTHORIZED AGENT OF COMPANY

Alexander & Alexander of California, Inc.
Two Embarcadero Center
P.O. Box 3803
San Francisco, California 94119
Telephone: 415 296-1300
FAX: 415 296-1409
Telex: 340 672 6039

**Alexander
& Alexander**

November 6, 1989

First Interstate Bank
Att: Dale
P.O. Box 1490
Long Beach, Ca. 90801

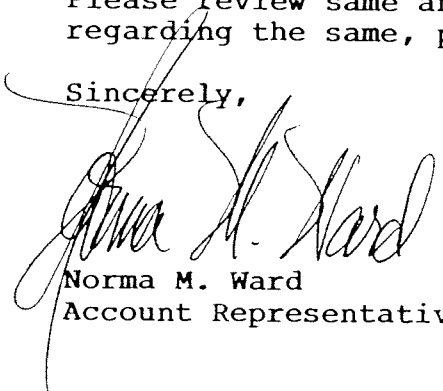
Re: Certificate of Insurance
Samson Auto Salvage, Et al

Dear Dale:

Enclosed is an original Certificate of Insurance issued on behalf of the captioned insured.

Please review same and if you should have any questions regarding the same, please contact our office.

Sincerely,



Norma M. Ward
Account Representative

NMW:nmw

enc.

c: Samson Auto Salvage, Et al

COMMERCIAL APPLICATION:

01/23/90

PRODUCER ALEXANDER & ALEXANDER OF CA Two Embarcadero Center P.O. Box 3803 San Francisco, CA 94119 PHONE 415-296-1300 CODE		CARRIER CALIFORNIA INSURANCE COMPANY UNDERWRITER LESLIE LAMB POLICIES OR PROGRAM REQUESTED PLEASE INDICATE THE SECTIONS ATTACHED <input type="checkbox"/> PROPERTY <input type="checkbox"/> COMMERCIAL GEN LIABILITY <input type="checkbox"/> UMBRELLA <input type="checkbox"/> GLASS & SIGN <input type="checkbox"/> BUSINESS AUTO & VEH SCH <input type="checkbox"/> BUILD RISK <input type="checkbox"/> ACCTS REC/VAL PAPERS <input type="checkbox"/> GARAGE <input type="checkbox"/> EQUIP FLOAT <input type="checkbox"/> CRIME <input type="checkbox"/> FIDELITY <input type="checkbox"/> TRUCKERS <input type="checkbox"/> TRANSPORTATION <input type="checkbox"/> WORKERS COMPENSATION <input type="checkbox"/> NOTEPAD																																	
> STATUS OF SUBMISSION <===== PACKAGE POLICY INFORMATION <===== <input type="checkbox"/> QUOTE <input checked="" type="checkbox"/> ISSUE POLICY <input type="checkbox"/> BOUND (Give Date and/or Attach Copy) 10/08/89		ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES. <table border="1"> <tr> <th>PROPOSED EFF. DATE</th> <th>PROPOSED EXP. DATE</th> <th>BILLING PLAN</th> <th>PAYMENT PLAN</th> <th>AUDIT</th> </tr> <tr> <td>10/08/89</td> <td>10/08/90</td> <td><input checked="" type="checkbox"/> AGENCY BILL <input type="checkbox"/> DIRECT BILL</td> <td>ANNUAL</td> <td>YES</td> </tr> </table>		PROPOSED EFF. DATE	PROPOSED EXP. DATE	BILLING PLAN	PAYMENT PLAN	AUDIT	10/08/89	10/08/90	<input checked="" type="checkbox"/> AGENCY BILL <input type="checkbox"/> DIRECT BILL	ANNUAL	YES																						
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10/08/89	10/08/90	<input checked="" type="checkbox"/> AGENCY BILL <input type="checkbox"/> DIRECT BILL	ANNUAL	YES																															
> APPLICANT INFORMATION <===== NAME (first Named Insured & other Named Insureds) SAMSON AUTO SALVAGE (see below)																																			
MAILING ADDRESS (of first Named Insured) BERNARD LEHRER 11590 TUXFORD STREET SUN VALLEY, CA 91352																																			
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP		<input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> JOINT VENTURE																																	
<input type="checkbox"/> OTHER (DESCRIBE)		YRS. IN BUSINESS																																	
INSPECTION (Contact/Phone) BERNIE LEHRER		ACCOUNTING RECORDS (Contact/Phone) 213-583-1094																																	
> PREMISES INFORMATION <===== <table border="1"> <thead> <tr> <th>#</th> <th>STREET, CITY, COUNTY, STATE, ZIP CODE</th> <th>INTEREST</th> <th>YR BLT</th> <th>PART OCCUPIED</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>11590 TUXFORD STREET SUN VALLEY CA 91352</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>8103 SOUTH ALAMEDA STREET LOS ANGELES CA 90001</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				#	STREET, CITY, COUNTY, STATE, ZIP CODE	INTEREST	YR BLT	PART OCCUPIED	1	11590 TUXFORD STREET SUN VALLEY CA 91352				2	8103 SOUTH ALAMEDA STREET LOS ANGELES CA 90001				3																
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2	8103 SOUTH ALAMEDA STREET LOS ANGELES CA 90001																																		
3																																			
> NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS/OCCUPANCY BY PREMISES(S) <===== AUTO DISMANTLERS NAMED INSURED: AADLEN BROTHERS AUTO WRECKING & SAMSON AUTO SALVAGE, BROTHERS FOREIGN CAR AUTO WRECKING, UNIVERSAL AUTO WRECKING, AMERICAN TRUCK SALES, A FOREIGN AUTO WRECKING, CALIFORNIA CAR HIKERS, BROTHERS AUTO SALES, SAM ADLEN, AN INDIVIDUAL.																																			
> GENERAL INFORMATION <===== <table border="1"> <thead> <tr> <th>#</th> <th>EXPLAIN ALL 'YES' RESPONSES</th> <th>Y</th> <th>N</th> <th>#</th> <th>EXPLAIN ALL 'YES' RESPONSES</th> <th>Y</th> <th>N</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Is the applicant a subsidiary of another entity or does the applicant have any subsidiaries?</td> <td></td> <td>N</td> <td>4.</td> <td>Any catastrophe exposure?</td> <td></td> <td>N</td> </tr> <tr> <td>2.</td> <td>Is a formal safety program in operation?</td> <td>X</td> <td></td> <td>5.</td> <td>Any other insurance with this company or being submitted?</td> <td></td> <td>N</td> </tr> <tr> <td>3.</td> <td>Any exposure to flammables, explosives, chemicals?</td> <td></td> <td>N</td> <td>6.</td> <td>Any policy or coverage declined, cancelled or non-renewed during the prior 3 years?</td> <td></td> <td>N</td> </tr> </tbody> </table>				#	EXPLAIN ALL 'YES' RESPONSES	Y	N	#	EXPLAIN ALL 'YES' RESPONSES	Y	N	1.	Is the applicant a subsidiary of another entity or does the applicant have any subsidiaries?		N	4.	Any catastrophe exposure?		N	2.	Is a formal safety program in operation?	X		5.	Any other insurance with this company or being submitted?		N	3.	Any exposure to flammables, explosives, chemicals?		N	6.	Any policy or coverage declined, cancelled or non-renewed during the prior 3 years?		N
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REMARKS ALL VEHICLES ARE REGISTERED TO AND USED IN THE BUSINESS. ASSIGNED POLICY NO: OL 855-7707																																			
> APPLICABLE IN NEW YORK STATE <===== Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.																																			
APPLICANT'S SIGNATURE		PRODUCER'S SIGNATURE <i>Beverly J. Griggs</i>																																	

COMMERCIAL APPLICATION: cont SAMSON AUTO SALVAGE

01/23/90

> PRIOR CARRIER INFORMATION <=====

LINE	CATEGORY	YR 1987/1988	1988/1989			
C O M M E R C I A L T Y P E	CARRIER	FARMERS	CALIF. INS. CO.			
	POLICY NUMBER	UNKNOWN	OL 903-1705			
	POLICY TYPE	[] C/M [] OCC	[] C/M [X] OCC	[] C/M [] OCC	[] C/M [] OCC	[] C/M [] OCC
	RETRO DATE					
	GEN. AGGREGATE		1000000			
	PROD. AGGREGATE		1000000			
	BI/CSL OCCURRENCE		1000000			
	PD					
	MOD. FACTOR					
	TOTAL PREM.	UNKNOWN	\$71,199.			
A U T O M O B I L I T Y	CARRIER	FARMERS	CALIF. INS. CO.			
	POLICY NUMBER	UNKNOWN	OL 903-1705			
	POLICY TYPE		BUS AUTO			
	BI/CSL		1000000			
	PD					
	MOD. FACTOR					
	TOTAL PREM.	UNKNOWN	INCLUDED			
	CARRIER	FARMERS	CALIF. INS. CO.			
	POLICY NUMBER	UNKNOWN	OL 903-1705			
	POLICY TYPE		PROPERTY			
P R O P E R T Y	AMOUNT		VARIOUS			
	MOD. FACTOR					
	TOTAL PREM.	UNKNOWN	INCLUDED			

> LOSS HISTORY <=====

ENTER ALL CLAIMS OR OCCURENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS. [] CHECK HERE IF NONE

DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	CLAIM STATUS
07/12/89	AUTO	S&C SERVED				[] OPEN [] CLOSED
10/23/89	AUTO	SUNROOF FELL OFF & HIT OP				[] OPEN [] CLOSED
12/02/89	AUTO	INSURED REAR ENDED OP				[] OPEN [] CLOSED
						[] OPEN [] CLOSED
						[] OPEN [] CLOSED

COMMENTS

NOTE: FIDELITY REQUIRES A SIX YEAR LOSS HISTORY.

[] SEE ATTACHED LOSS SUMMARY

ALEXANDER & ALEXANDER OF CA

SAMSONS

02/07/90

* C U S T O M E R M E M O *

SAMSON AUTO SALVAGE
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA 91352

To: BERNARD LEHRER

Re: COMMERCIAL PACKAGE

POLICY NO: OL 855-7707
EFF. DATE: 10/08/89

TYPE: AP
EXP DATE: 10/08/90

Dear Bernie:

Enclosed is binder #10119 extending coverage for an additional thirty days pending policy issuance.

Best regards, 

FROM: Beverly J. Griggs, CPIW

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA 94119

INSURANCE BINDER:

02/01/90

PRODUCER
ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA
94119

COMPANY
CALIFORNIA INSURANCE COMPANY

BINDER NO. **10119**
 SCADA-07

PHONE **415-296-1300**
 CODE

SUB-CODE

EFFECTIVE		EXPIRATION	
DATE	TIME	DATE	TIME
02/08/90	12:01 [X] AM [] PM	03/08/90	[X] 12:01AM [] NOON

[X] THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.: **OL9031705/10075**

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION)
AUTO DISMANTLER

ASSIGNED POLICY NO.: **OL 855-7707**

extends binder #10099/#10109

INSURED
SAMSON AUTO SALVAGE et al
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA
91352

TYPE OF INSURANCE	COVERAGES/FORMS	ALL LIABILITY LIMITS IN THOUSANDS ==		
		AMOUNT	DED	CO-INS
Property CAUSES OF LOSS [] BASIC [] BROAD [X] SPECIAL [X] REPLACEMENT COST []	PERSONAL PROPERTY	1000	250	90
General Liability [X] COMMERCIAL GENERAL LIABILITY [] [] CLAIMS MADE [X] OCC. [] OWNER'S & CONTRACTORS PROTECTIVE [] []	RETRO DATE FOR CLAIMS MADE:	GENERAL AGGREGATE PRODUCTS-COMP/OPS AGG PERSONAL & ADVTG INJURY EACH OCCURRENCE FIRE DAMAGE (ANY ONE FIRE) MED EXP (ANY ONE PERS)	\$ 100000 \$ 100000 \$ 100000 \$ 100000 \$ 50000 \$ 5000	
Automobile [X] LIABILITY [X] NON/OWNED [X] HIRED [X] GARAGE [X] UNINSURED MOTORIST P.D.	[X] ALL VEHICLES [] SCHEDULED VEHICLES	CSL BI PERS/ACCID PD MED. PAY PIP UM	\$ 100000 \$ \$ \$ \$ \$	
Auto Physical Damage [X] COLLISION DED: 500 [X] OTC DED: 250	[] ALL VEHICLES [X] SCHEDULED VEHICLES	[X] ACV [] STATED AMOUNT [] OTHER	\$	
Excess Liability [] UMBRELLA FORM [] OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE AGGREGATE SELF-INSURED RETENTION		
Worker's Compensation and Employers' Liability		STATUTORY \$ \$ \$	(EACH ACCIDENT) (DISEASE-POLICY LIMIT) (DISEASE-EACH EMPLOYEE)	

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES

WAIVER OF COLLISION DEDUCTIBLE

INLAND MARINE: \$116000 CONTRACTORS EQUIPMENT W/250 DEDUCTIBLE

> NAME & ADDRESS <=====

FIRST INTERSTATE BANK
200 PINE STREET
P. O BOX 1490
LONG BEACH, CA
90801

[] MORTGAGEE [] ADDITIONAL INSURED
 [X] LOSS PAYEE []
 LOAN # **0158024711**

[] MORTGAGEE [] ADDITIONAL INSURED
 [] LOSS PAYEE []
 LOAN #

This binder is a temporary insurance contract, subject to the conditions shown.

CONDITIONS: This Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

ACORD 75-S (2/88)

AUTHORIZED REPRESENTATIVE

John J. Lamb 2/1/90

POLICY NUMBER: OL 855-7707

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED DRIVER EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

TRUCKERS COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:

Endorsement effective 10/8/89	CALIFORNIA INSURANCE COMPANY
Named Insured SAMSON AUTO SALVAGE	Countersigned by

(Authorized Representative)

With respects to such insurance as is afforded under the coverage form, the company shall not be liable for any loss caused while the automobile(s) described in the declarations or any other automobile to which the terms of the policy are extended is being driven or operated by the following named person(s):

JOSE CASTANEDA

Accepted _____

First Named Insured

BUSINESS AUTO COVERAGE PART DECLARATIONS

Policy No. OL 855-7707

Effective Date: 10/8/89

12:01 A.M., Standard Time

ITEM TWO

SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	1	\$ 1,000,000.	86,372
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)		SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS \$ Ded	
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault Coverage)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	
PROPERTY PROTECTION INSURANCE (MICHIGAN ONLY)		SEPARATELY STATED IN THE P.I.P. ENDORSEMENT MINUS \$ Ded FOR EACH ACCIDENT	
AUTO MEDICAL PAYMENTS	N/C	\$ N/C	-
UNINSURED MOTORISTS	N/C	\$ N/C	-
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)		\$	
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	2	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ 250 . Ded. FOR EACH COVERED AUTO BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING. See ITEM FOUR for hired or borrowed "autos."	3,407
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$25 Ded. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR for hired or borrowed "autos."	
PHYSICAL DAMAGE COLLISION COVERAGE	7	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ 500 . Ded. FOR EACH COVERED AUTO. See ITEM FOUR for hired or borrowed "autos."	615
PHYSICAL DAMAGE TOWING AND LABOR (NOT AVAILABLE IN CALIFORNIA)		\$ for each disablement of a private passenger "auto."	
PREMIUM FOR ENDORSEMENTS			86
ESTIMATED TOTAL PREMIUM			90,480

ENDORSEMENTS ATTACHED TO THIS POLICY:

CA0001(1/87), CA0143(1/87), CA2171(1/88), IL404R1(1/80), CA0029(1/88), CA7605(8/87), CA2155(1/87), CA0305(1/87)

IL 00 21 11 85—Broad Form Nuclear Exclusion (Not applicable in New York)

**Inclusion of date optional

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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POLICY NUMBER: 4. OL 855-7707

CA 350
(1-87)

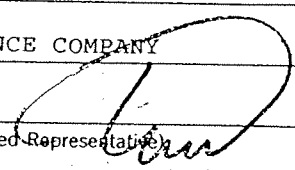
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 03 05 01 87

CALIFORNIA CHANGES-WAIVER OF COLLISION DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM

Endorsement effective 10/8/89 at 12:01 A.M. standard time	CALIFORNIA INSURANCE COMPANY
Named Insured SAMSON AUTO SALVAGE	Countersigned by 

(Authorized Representative)

SCHEDULE

Waiver of Collision Deductible	
Designation or Description of Covered Auto	Premium
31) 1989 CADILLAC SEVILLE	\$ INCL.

(If no entry appears above, information required to complete this endorsement will be shown in the Declaration applicable to this endorsement).

A. When PHYSICAL DAMAGE COVERAGE provides coverage for a "loss" to your covered "auto" caused by its collision or upset, and:

1. The "loss" involves an "uninsured motor vehicle"; and
2. You are legally entitled to recover the full amount of your "loss" from the owner or operator of the "uninsured motor vehicle"; and
3. The Schedule indicates that the Waiver of Collision deductible provision applies to the covered "auto"; then

We will pay the full deductible. Subject to the above, if you are legally entitled to recover only a percentage of your "loss", we will pay that percentage of your deductible. However, if the amount of the "loss" is less than your deductible, we will pay the percentage of the "loss" that you are legally entitled to recover. In no event will we pay more than the amount of the "loss".

B. CONDITIONS

1. The following is added to the CONDITIONS

Section:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, the disagreement will be settled by a single neutral arbitrator. The arbitration must be formally instituted by the "insured" within one year from the date of the "accident". Each party will bear the expenses of the arbitrator equally.
 - b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.
2. Paragraph 2.a. of the DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS Loss

(over)



POLICY NUMBER: OL 855-7707

CA 353
(1-87)**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

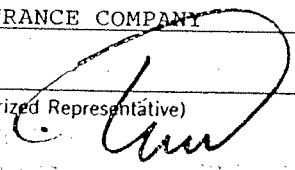
CA 21 55 01 87

CALIFORNIA UNINSURED MOTORISTS COVERAGE—PROPERTY DAMAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:

Endorsement effective 10/8/89 at 12:01 A.M. standard time	CALIFORNIA INSURANCE COMPANY
Named Insured SAMSON AUTO SALVAGE	Countersigned by  (Authorized Representative)

SCHEDULE

"Property Damage" Uninsured Motorists Coverage	
Designation or Description of Covered "Auto"	Premium
APPLIES TO ALL VEHICLES WITHOUT COLLISION COVERAGE	\$ INCL.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement).

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as damages from the owner or operator of an "uninsured motor vehicle". The damages must result from "property damage" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without our consent.
2. The direct or indirect benefit of any insurer of

- property.
3. Property contained in the covered "auto".
4. "Property damage" to any motor vehicle owned by you or any "family member" that is not a covered "auto".
5. "Property damage" to any motor vehicle owned by you to which collision coverage applies under this policy or any other policy.
6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

C. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos", claims made, premiums paid, or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the lesser of the following:

(over)



COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No. OL 855-7707

Effective Date: 10/8/89 **
12:01 A.M., Standard Time

LIMITS OF INSURANCE									
General Aggregate Limit (Other Than Products—Completed Operations)					\$ 1,000,000.				
Products—Completed Operations Aggregate Limit					\$ 1,000,000.				
Personal and Advertising Injury Limit					\$ 1,000,000.				
Each Occurrence Limit					\$ 1,000,000.				
Fire Damage Limit					\$ 50,000. Any One Fire				
Medical Expense Limit					\$ 5,000. Any One person				
RETROACTIVE DATE (CG 75 01 only)									
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: _____									
(Enter Date or "None" if no Retroactive Date applies)									
BUSINESS DESCRIPTION AND LOCATION OF PREMISES									
Form of Business:									
<input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation									
Business Description*:									
AUTO DISMANTLER									
Location of All Premises You Own, Rent or Occupy:									
1) 11590 TUXFORD STREET, SUN VALLEY, CA.									
2) 8103 S. ALAMEDA STREET, LOS ANGELES, CA.									
PREMIUM									
Loc.	Classification	Code No.	Premium Basis	Rate Pr/CO	All Other	Advance Premium Pr/CO	All Other		
1)	AUTO DISMANTLING WHOLESALE RATED AS AUTO PARTS AND SUPPLIES DISTRIBUTORS	99999	\$ 2,400,000	4.83				\$	\$
1)	AUTO DISMANTLING RETAIL RATED AS AUTO PARTS AND SUPPLIES STORES	99999	\$ 769,734	9.65					
									Total Advance Premium \$ 19,020.
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)									
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:									
CG7500(7/89)									

*Information omitted if shown elsewhere in the policy.

**Inclusion of date optional.

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POLICY NUMBER: OL 855-7707

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 12 18 07 88

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract of Sale
				X		
1-1		1989 BIG MAC CAR CRUSHER S#815-13489	FIRST INTERSTATE BANK 200 PINE STREET P.O. BOX 1490 LONG BEACH, CA. 90801			

- A. When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading; or
 - d. Financing statements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(over)



INLAND MARINE

IM 322
(Ed. 12-83)

CM 01 04 (Ed. 12 83)

COMMERCIAL INLAND MARINE AMENDATORY ENDORSEMENT

This endorsement, effective 10/8/
mental endorsement (form) No.
issued to SAMSON AUTO SALVAGE

, forms a part of policy No. OL 855-7707
attached to policy No.

or supple-

by CALIFORNIA INSURANCE
located SAN FRANCISCO, CALIFORNIA
City and State

Date of endorsement 2/23/90

at its Agency

Agent

(When this endorsement forms a part of a supplemental endorsement (form) the word "policy" wherever appearing in the following provisions is to be construed to mean "supplemental endorsement (form)".)

The provisions of the following forms are amended as indicated: (ENTER BELOW)

1. PERILS INSURED

The Perils Insured section of the above forms is deleted and replaced by the following:

This policy insures against risks of direct physical loss or damage to the insured property unless the loss or damage is excluded under the Perils Excluded section of this policy.

2. PERILS EXCLUDED

The following are added to the Perils Excluded section:

A. When any of the following Perils Excluded apply:

- (1) Earthquake;
- (2) Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
- (3) Water which backs up through sewers or drains;
- (4) Water below the surface of the ground;
- (5) War risk and governmental action;
- (6) Nuclear reaction or radiation;

Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage.

B. This policy does not insure against loss or damage caused by any of the following. However, any ensuing loss or damage not excluded or excepted in this policy is covered.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with any of the following Perils Excluded in this policy relating to:

- a. Earthquake;
- b. Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
- c. Water which backs up through sewers or drains;
- d. Water below the surface of the ground;
- e. War risk and governmental action;
- f. Nuclear reaction or radiation;

(over)



**COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS**

Policy No. OL 855-7707

Effective Date: 10/8/89
12:01 A.M., Standard Time

DESCRIPTION OF PREMISES						
Prem. No. Bldg. No.		Location, Construction & Occupancy				
1 - 1		11590 TUXFORD STREET SUN VALLEY, CA.				
COVERAGES PROVIDED—Insurance at the Described Premises applies only for coverages for which a limit of insurance is shown.						
PREM. BLDG. NO.	COVERAGE	CO. INSURANCE	LIMIT OF INSURANCE	DEDUCTIBLE (If other than \$250)	COVERED CAUSE OF LOSS (Form and Edition Date)	RATES
1-1	PERSONAL PROPERTY EXCLUDING STOCK	90%	\$1,000.	250.	CP1030 (7/88)	VRS.
COVERAGE OPTIONS—The following coverage options are provided when designated by a <input checked="" type="checkbox"/> and an entry under the Premises listed below.						
COVERAGE:		Prem. ____ Bldg. ____	Prem. ____ Bldg. ____	Prem. ____ Bldg. ____		
BUILDING						
<input type="checkbox"/> Replacement cost (x)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Inflation Guard		____ %	____ %	____ %		
<input type="checkbox"/> Agreed Value (expiration date)		_____	_____	_____		
<input type="checkbox"/> _____		_____	_____	_____		
PERSONAL PROPERTY						
<input type="checkbox"/> Replacement cost (x)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Replacement cost (incl. stock) (x)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Inflation Guard		____ %	____ %	____ %		
<input type="checkbox"/> Agreed Value (expiration date)		_____	_____	_____		
<input type="checkbox"/> _____		_____	_____	_____		
BUSINESS INCOME						
<input type="checkbox"/> Monthly Limit of Indemnity (Fraction)		_____	_____	_____		
<input type="checkbox"/> Maximum Period of Indemnity (x)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Agreed Value (expiration date)		_____	_____	_____		
<input type="checkbox"/> _____		_____	_____	_____		
<input type="checkbox"/> OTHER (Describe)						
MORTGAGE HOLDER(S)						
Prem. No. Bldg. No.		Mortgage Holder Name and Mailing Address				
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)						
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:						
<u>Applicable to All Coverages</u>			<u>Applicable to Specific Premises/Coverages</u>			
			<u>Prem./Bldg. No. Coverages Form(s)</u>			
CP0090(7/88), CP0299(11/85)			1-1 PERSONAL PROPERTY EXCLUDING STOCK 1X599(7/89) CP0010(7/88)			

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

**SUPPLEMENTAL
COMMERCIAL INLAND MARINE COVERAGE PART
DECLARATIONS**

Policy No. OL 855-7707

Effective Date: 10/8/89 **
12:01 A.M., Standard Time

BUSINESS DESCRIPTION*
AUTO DISMANTLING
PREMIUM
Premium for this Coverage Part \$ 1160.
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)
Forms and Endorsements Applying to this Coverage Part and made part of this policy at time of issue: CM7502(8/87), CM0104(12/83)

*Information omitted if shown elsewhere in the policy

**Inclusion of date optional

CONTRACTOR'S EQUIPMENT FLOATER 1P073R1 (11/78)

1P077R3 (2/82)

SCHEDULE OF INSURED PROPERTY

ITEM NO.

DESCRIPTION OF PROPERTY

AMOUNT OF
INSURANCE

1.	1979 4 TON FORKLIFT	10,000.
2.	1972 CLARK FORKLIFT	2,500.
3.	1972 AL JOHN FORKLIFT	3,500.
4.	1989 BIG MAC CAR	
	CRUSHER S#815-13489	100,000.

\$116,000.

total

COMMERCIAL APPLICATION:

01/05/90

PRODUCER ALEXANDER & ALEXANDER OF CA Two Embarcadero Center P.O. Box 3803 San Francisco, CA 94119		CARRIER CALIFORNIA INSURANCE COMPANY	
PHONE 415-296-1300		UNDERWRITER LESLIE LAMB	
CODE		POLICIES OR PROGRAM REQUESTED	
SUB-CODE		PLEASE INDICATE THE SECTIONS ATTACHED	
		<input checked="" type="checkbox"/> PROPERTY <input checked="" type="checkbox"/> COMMERCIAL GEN LIABILITY <input type="checkbox"/> UMBRELLA <input type="checkbox"/> GLASS & SIGN <input checked="" type="checkbox"/> BUSINESS AUTO & VEH SCH <input type="checkbox"/> BUILD RISK <input type="checkbox"/> ACCTS REC/VAL PAPERS <input type="checkbox"/> GARAGE <input checked="" type="checkbox"/> EQUIP FLOAT <input type="checkbox"/> CRIME <input type="checkbox"/> FIDELITY <input type="checkbox"/> TRUCKERS <input type="checkbox"/> TRANSPORTATION <input type="checkbox"/> WORKERS COMPENSATION <input type="checkbox"/> NOTEPAD	
> STATUS OF SUBMISSION <===== PACKAGE POLICY INFORMATION <=====			
[] QUOTE <input checked="" type="checkbox"/> ISSUE POLICY ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES.			
<input checked="" type="checkbox"/> BOUND			
(Give Date and/or Attach Copy) 10/08/89		PROPOSED EFF. DATE 10/08/89	PROPOSED EXP. DATE 10/08/90
		BILLING PLAN <input checked="" type="checkbox"/> AGENCY BILL <input type="checkbox"/> DIRECT BILL	PAYMENT PLAN ANNUAL
		AUDIT YES	
> APPLICANT INFORMATION <=====			
NAME (first Named Insured & other Named Insureds) SAMSON AUTO SALVAGE (see below)			
MAILING ADDRESS (of first Named Insured) BERNARD LEHRER 11590 TUXFORD STREET SUN VALLEY, CA 91352			
<input type="checkbox"/> INDIVIDUAL <input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER (DESCRIBE) YRS. IN BUSINESS <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE			
INSPECTION (Contact/Phone) BERNIE LEHRER		ACCOUNTING RECORDS (Contact/Phone) 213-583-1094	
> PREMISES INFORMATION <=====			
#	STREET, CITY, COUNTY, STATE, ZIP CODE	INTEREST	YR BLT
1	11590 TUXFORD STREET SUN VALLEY CA 91352		
2	8103 SOUTH ALAMEDA STREET LOS ANGELES CA 90001		
3			
> NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS/OCCUPANCY BY PREMISES(S) <=====			
AUTO DISMANTLERS			
NAMED INSURED: SAMSON AUTO SALVAGE;			
AADLEN BROTHERS AUTO WRECKING			
BROTHERS AUTO SALES			
SAM AADLEN, AN INDIVIDUAL			
> GENERAL INFORMATION <=====			
#	EXPLAIN ALL 'YES' RESPONSES	Y	N
1.	Is the applicant a subsidiary of another entity or does the applicant have any subsidiaries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2.	Is a formal safety program in operation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3.	Any exposure to flammables, explosives, chemicals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.	Any catastrophe exposure?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.	Any other insurance with this company or being submitted?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.	Any policy or coverage declined, cancelled or non-renewed during the prior 3 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
REMARKS ALL VEHICLES AR REGISTERED TO AND USED IN THE BUSINESS. ASSIGNED POLICY NO: OL 855-7707			
> APPLICABLE IN NEW YORK STATE <=====			
Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.			
APPLICANT'S SIGNATURE		PRODUCER'S SIGNATURE <i>Beverly J. Briggs</i>	

COMMERCIAL APPLICATION: cont

SAMSON AUTO SALVAGE

01/05/90

PRICER CARRIER INFORMATION		YR 1988/1989	1989/1990			
LINE	CATEGORY					
CARRIER	FARMERS	CALIF. INS. CO.				
POLICY NUMBER	UNKNOWN	OL 903-1705				
POLICY TYPE	[] C/M [] OCC	[] C/M [X] OCC	[] C/M [] OCC	[] C/M [] OCC	[] C/M [] OCC	
RETRO DATE						
GEN. AGGREGATE		1000000				
PROD. AGGREGATE		1000000				
BI/CSL OCCURRENCE		1000000				
PD						
MOD. FACTOR						
TOTAL PREM.	UNKNOWN	\$71,199.				
CARRIER	FARMERS	CALIF. INS. CO.				
POLICY NUMBER	UNKNOWN	OL 903-1705				
POLICY TYPE		BUS AUTO				
BI/CSL		1000000				
PD						
MOD. FACTOR						
TOTAL PREM.	UNKNOWN	INCLUDED				
CARRIER	FARMERS	CALIF. INS. CO.				
POLICY NUMBER	UNKNOWN	O 903-1705				
POLICY TYPE		PROPERTY				
AMOUNT		VARIOUS				
MOD. FACTOR						
TOTAL PREM.	UNKNOWN	INCLUDED				

> LOSS HISTORY <=====

ENTER ALL CLAIMS OR OCCURENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS. [] CHECK HERE IF NONE

DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	CLAIM STATUS
07/12/89	AUTO	S&C SERVED				[] OPEN [] CLOSED
10/23/89	AUTO	SUNROOF FELL OFF & HIT OP				[] OPEN [] CLOSED
12/02/89	AUTO	INSURED REAR ENDED OP				[] OPEN [] CLOSED
						[] OPEN [] CLOSED
						[] OPEN [] CLOSED

COMMENTS

NOTE: FIDELITY REQUIRES A SIX YEAR LOSS HISTORY.

[] SEE ATTACHED LOSS SUMMARY

PROPERTY SECTION

01/05/90

PRODUCER ALEXANDER & ALEXANDER OF CA Two Embarcadero Center P.O. Box 3803 San Francisco, CA 94119		APPLICANT (First Named Insured) SAMSON AUTO SALVAGE		
PHONE 415-296-1300		FOR COMPANY USE ONLY		
> PREMISES INFORMATION <=====		PROPOSED EFF. DATE 10/08/89	PROPOSED EXP. DATE 10/08/90	BILLING PLAN <input checked="" type="checkbox"/> AGENCY <input type="checkbox"/> DIRECT
		PAYMENT PLAN ANNUAL		AUDIT YES

P R E M I S E S I N F O R M A T I O N	SUBJECT OF INSURANCE	AMOUNT	COINS %	VALUATION	CAUSES OF LOSS	INF GUARD %	DED.	FORMS AND COND. TO APPLY
No. 1	PERSONAL PROP	1000	90	R/C	SPECIAL		250	
B L D G No. 1								

ADDITIONAL COVERAGES, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION

CONSTRUCTION TYPE	PROTECTION CLASS	# STORIES	# BASEMENTS	YR BUILT	TOTAL AREA	OTHER OCCUPANCIES	
RIGHT EXPOSURE & DISTANCE		LEFT EXPOSURE & DISTANCE			REAR EXPOSURE & DISTANCE		
BURGLAR ALARM TYPE		CERTIFICATE #	EXP. DATE	EXTENT	GRADE	<input type="checkbox"/> CENTRAL STAT. <input type="checkbox"/> WITH KEYS	
BURGLAR ALARM INSTALLED AND SERVICED BY			# GUARDS/WATCHMEN	<input type="checkbox"/> CLOCK HOURLY <input type="checkbox"/>			
FIRE PROT (SPRINKLERS, STANDPIPES, CO2/HALON SYSTEMS)			FIRE ALARM MANUFACTURER			<input type="checkbox"/> CENTRAL STAT. <input type="checkbox"/> LOCAL GONG	

P R E M I S E S I N F O R M A T I O N	SUBJECT OF INSURANCE	AMOUNT	COINS %	VALUATION	CAUSES OF LOSS	INF GUARD %	DED.	FORMS AND COND. TO APPLY
No.								
B L D G No.								

ADDITIONAL COVERAGES, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION

CONSTRUCTION TYPE	PROTECTION CLASS	# STORIES	# BASEMENTS	YR BUILT	TOTAL AREA	OTHER OCCUPANCIES	
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BURGLAR ALARM INSTALLED AND SERVICED BY			# GUARDS/WATCHMEN	<input type="checkbox"/> CLOCK HOURLY <input type="checkbox"/>			
FIRE PROT (SPRINKLERS, STANDPIPES, CO2/HALON SYSTEMS)			FIRE ALARM MANUFACTURER			<input type="checkbox"/> CENTRAL STAT. <input type="checkbox"/> LOCAL GONG	

COMMERCIAL GENERAL LIABILITY SECTION

01/05/90

PRODUCER ALEXANDER & ALEXANDER OF CA Two Embarcadero Center P.O. Box 3803 San Francisco, CA 94119		APPLICANT (First Named Insured) SAMSON AUTO SALVAGE																																																														
PHONE 415-296-1300		PROPOSED EFF. DATE 10/08/89	PROPOSED EXP. DATE 10/08/90	BILLING PLAN <input checked="" type="checkbox"/> AGENCY <input type="checkbox"/> DIRECT	PAYMENT PLAN ANNUAL	AUDIT YES																																																										
FOR COMPANY USE ONLY																																																																
> COVERAGES <===== <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">COMMERCIAL GENERAL LIABILITY</td> </tr> <tr> <td><input type="checkbox"/> CLAIMS MADE</td> <td><input checked="" type="checkbox"/> OCCURRENCE</td> </tr> <tr> <td colspan="2"><input type="checkbox"/> OWNER'S & CONTRACTORS PROTECTIVE</td> </tr> <tr> <td colspan="2"><input type="checkbox"/></td> </tr> </table>		COMMERCIAL GENERAL LIABILITY		<input type="checkbox"/> CLAIMS MADE	<input checked="" type="checkbox"/> OCCURRENCE	<input type="checkbox"/> OWNER'S & CONTRACTORS PROTECTIVE		<input type="checkbox"/>		LIMITS <===== <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>GENERAL AGGREGATE</td> <td style="text-align: right;">\$ 1000000</td> </tr> <tr> <td>PRODUCTS & COMPLETED OPERATIONS AGGREGATE</td> <td style="text-align: right;">\$ 1000000</td> </tr> <tr> <td>PERSONAL & ADVERTISING INJURY</td> <td style="text-align: right;">\$ 1000000</td> </tr> <tr> <td>EACH OCCURRENCE</td> <td style="text-align: right;">\$ 1000000</td> </tr> <tr> <td>FIRE DAMAGE (ANY ONE FIRE)</td> <td style="text-align: right;">\$ 50000</td> </tr> <tr> <td>MEDICAL EXPENSE (ANY ONE PERSON)</td> <td style="text-align: right;">\$ 5000</td> </tr> </table>			GENERAL AGGREGATE	\$ 1000000	PRODUCTS & COMPLETED OPERATIONS AGGREGATE	\$ 1000000	PERSONAL & ADVERTISING INJURY	\$ 1000000	EACH OCCURRENCE	\$ 1000000	FIRE DAMAGE (ANY ONE FIRE)	\$ 50000	MEDICAL EXPENSE (ANY ONE PERSON)	\$ 5000	PREMIUMS PREMISES/OPERATIONS PRODUCTS OTHER TOTAL																																							
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OTHER COVERAGES, RESTRICTIONS, AND/OR ENDORSEMENTS																																																																
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> CLAIMS MADE (EXPLAIN ALL 'YES' RESPONSES) <=====					TRANSITION <=====																																																											
1 Proposed retroactive date:					1 Has this risk or any location ever not qualified for transition? Y N																																																											
2 Entry date into uninterrupted claims made coverage:					2 If this risk qualifies for transition, indicate the year it first qualified: and:																																																											
3 Has any product, work, accident, or location been excluded, uninsured, or self-insured from any previous coverage? Y N					<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>LOC</td> <td>CLASS</td> <td>AREA</td> <td>SALES</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>		LOC	CLASS	AREA	SALES																																																						
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4 Was tail coverage purchased under any previous policy?																																																																
COMMENTS																																																																

COMMERCIAL GENERAL LIABILITY SECTION cont

SAMSON AUTO SALVAGE

01/05/90

CONTRACTORS <=====		Y	N	FULL TIME STAFF:
#	EXPLAIN ALL 'YES' RESPONSES			
	(For any past or present operations)			PART TIME STAFF:
1	Does applicant draw plans, designs, or specifications?			DESCRIBE THE TYPE OF WORK & PERCENT SUBCONTRACTED:
2	Do any oper. include blasting or utilize or store explosive mat?			
3	Do any operations include evacuation, tunneling, underground work or earth moving?			
4	Do your subcontractors carry coverages or limits less than yours?			
5	Are certificates of insurance required from subcontractors?			
6	Does applicant lease equipment to others with or without operators?			

REMARKS:

PRODUCTS/COMPLETED OPERATIONS <=====						
PRODUCTS	ANN. GROSS SALES	# UNITS	TIME IN MKT	EXPECTED LIFE	INTENDED USE	PRIN. COMPONENTS

EXPLAIN ALL 'YES' RESPONSES (For any past or present product or operation)									
	Y	N	#		Y	N			
1		N		6		N			
2		N		7		N			
3		N		8		N			
4		N		9		N			
5		N		10		N			

Please attach literature, brochures, labels, warnings, etc.

ADDITIONAL INTERESTS/CERTIFICATE RECIPIENTS <=====			
#	NAME & ADDRESS (INCLUDE LOAN NUMBER FOR MORTGAGEES)	INTEREST	CERTIFICATE

GENERAL INFORMATION <=====						
EXPLAIN ALL 'YES' RESPONSES (For all past or present operation)						
	Y	N	#		Y	N
1		N		7		N
2		N		8		N
3		N		9		N
4		N		10		N
5		N		11		N
6		N		12		N
		N		13		N

REMARKS <=====

BUSINESS AUTO SECTION:

01/05/90

PRODUCER ALEXANDER & ALEXANDER OF CA Two Embarcadero Center P.O. Box 3803 San Francisco, CA 94119		APPLICANT (First Named Insured) SAMSON AUTO SALVAGE				
PROPOSED EFF. DATE 10/08/89	PROPOSED EXP. DATE 10/08/90	BILLING PLAN <input checked="" type="checkbox"/> AGENCY <input type="checkbox"/> DIRECT	PAYMENT PLAN ANNUAL	AUDIT YES		
PHONE 415-296-1300		FOR COMPANY USE ONLY				

COVERAGES		COVERED AUTO SYMBOLS	LIMITS OF LIABILITY		PREMIUM
LIABILITY INSURANCE		1 2 3 4 7 8 9 [X] [] [] [] [] [X] [X]	\$ 1,000 ,000 PER ACCIDENT		
PERSONAL INJURY PROTECTION		5 7 [] []	OR EQUIVALENT NO-FAULT COVERAGE \$		DED.
ADDITIONAL P.I.P.		5 7 [] []	OR EQUIVALENT ADDED NO-FAULT COVERAGE \$		DED.
AUTO MEDICAL PAYMENTS		2 3 4 7 8 [] [] [] [] []	PER PERSON \$		
UNINSURED MOTORISTS		2 3 4 6 7 [] [] [] [] []	\$		
P H Y S. D A M A G E	COMPREHENSIVE	2 3 4 7 8 [] [] [] [X] []	[] SEE SCHEDULE		DED. 250
	SPECIFIED PERILS	2 3 4 7 8 [] [] [] [] []	[] SEE SCHEDULE [] F [] F&T [] F,T,W [] LTD. SPEC. PERILS		DED.
	COLLISION	2 3 4 7 8 [] [] [] [X] []	[] SEE SCHEDULE		DED. 500
	TOWING & LABOR	3 7 10 [] [] []	[] SEE SCHEDULE		
OTHER	SPECIFY				
OTHER	SPECIFY				
HIRED/BORROWED AUTOMOBILE LIABILITY	STATES	[] IF ANY	CODE	COST OF HIRE	RATE
EMPLOYER'S NON-OWNERSHIP LIABILITY	STATES	[] IF ANY	CODE	NO. OF EMPLOYEES	
ENDORSEMENTS					
					TOTAL

COVERED AUTO SYMBOLS: (4) OWNED AUTOS OTHER THAN PRIVATE PASSENGER (7) AUTOS SPECIFIED ON SCHEDULE
 (1) ANY AUTO (2) ALL OWNED AUTOS (5) ALL OWNED AUTOS WHICH REQUIRE NO-FAULT COVERAGE (8) HIRED AUTOS
 (3) OWNED PRIVATE PASSENGER AUTOS (6) OWNED AUTOS SUBJECT TO COMPULSORY U.M. LAW (9) NON-OWNED AUTOS

#	NAME (Include Address, If Required)	DATE OF BIRTH	DRIVERS LICENSE NUMBER	ST	DATE HIRED
1	SEE ATTACHED LIST				
2					
3					
4					
5					

BUSINESS AUTO SECTION: cont SAMSON AUTO SALVAGE

#	INS #	YEAR	MAKE, MODEL, BODY TYPE	ATTACHED LIST										VIN/SERIAL NUMBER	ST	
1	1		SEE													
CITY WHERE GARAGED			Sym./Age	COST NEW	USE	Radius	GVW/GCW	CLASS	SIC	FACTOR						
ST			ZIP													
[] ACV			DEDUCTIBLES	LIAB	P.I.P.	ADD PIP	MED PAY	U.M.	COMP.	SPECIFIED PERILS		COLL.	TOW.			
[] Stated Amt			COMP./S.P. COLLISION							[] F [] F,T,W [] F&T [] L.S.P						
#	INS #	YEAR	MAKE, MODEL, BODY TYPE	VIN/SERIAL NUMBER										ST		
2																
CITY WHERE GARAGED			Sym./Age	COST NEW	USE	Radius	GVW/GCW	CLASS	SIC	FACTOR						
ST			ZIP													
[] ACV			DEDUCTIBLES	LIAB	P.I.P.	ADD PIP	MED PAY	U.M.	COMP.	SPECIFIED PERILS		COLL.	TOW.			
[] Stated Amt			COMP./S.P. COLLISION							[] F [] F,T,W [] F&T [] L.S.P						
#	INS #	YEAR	MAKE, MODEL, BODY TYPE	VIN/SERIAL NUMBER										ST		
3																
CITY WHERE GARAGED			Sym./Age	COST NEW	USE	Radius	GVW/GCW	CLASS	SIC	FACTOR						
ST			ZIP													
[] ACV			DEDUCTIBLES	LIAB	P.I.P.	ADD PIP	MED PAY	U.M.	COMP.	SPECIFIED PERILS		COLL.	TOW.			
[] Stated Amt			COMP./S.P. COLLISION							[] F [] F,T,W [] F&T [] L.S.P						
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4																
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ST			ZIP													
[] ACV			DEDUCTIBLES	LIAB	P.I.P.	ADD PIP	MED PAY	U.M.	COMP.	SPECIFIED PERILS		COLL.	TOW.			
[] Stated Amt			COMP./S.P. COLLISION							[] F [] F,T,W [] F&T [] L.S.P						
> ADDITIONAL INTERESTS/CERTIFICATE RECIPIENTS <=====																
AUTO #	NAME AND ADDRESS										INTEREST	CERT.				
	FIRST INTERSTATE BANK, 200 PINE ST; PO BOX 1490										LOSS PAYEE	X				
	LONG BEACH, CA 90801 ATTN: WIL FORD															
> GENERAL INFORMATION <=====																
#	EXPLAIN ALL 'YES' RESPONSES										Y	N	#	Y	N	
1	With the exception of encumbrances, are all vehicles solely owned by and registered to the applicant?										X	N	7	Are any vehicles used on a farm or ranch?		N
2	Do over 50% of the employees use their autos in the bus.?										N		8	Did any vehicle operate outside the specified radius during the past 12 months?		N
3	Is there a vehicle maintenance program in operation?										X		9	Does the applicant obtain MVR verification?		X
4	Are any vehicles leased to others?										N		10	Does app. have a specific driver recruiting method?		N
5	Are any vehicles customized, altered or have special equip?										N		11	Are drivers covered by Worker's Compensation?		X
6	Are ICC, PUC or other filings required?										N		12	What's the tot # of veh owned by the app?		
MAXIMUM DOLLAR EXPOSURE										DESCRIPTION OF GARAGE/STORAGE LOCATIONS						
Any One Vehicle		Any One Location		All Owned Vehicles		GARAGE & YARD										
REMARKS:																

VEHICLES IN USE AT AADLEN BROS., OCT. 1989

	<u>VEHICLE</u>		<u>VIN</u>		<u>MILEAGE</u>
77	GMC P/U	01499	TCL237Z523438	*	5974
81	INTRNL TOW TRK	21499	1HTAA168B8HB17478	*	111,700
77	GMC P/U	01499	TCL237Z523448	*	23981
75	CHEV TOW TRK	21499	CCY335Z142593	*	86,908
77	CHEV TOW TRK	33451	TCL337Z508223	*	9982
73	CHEV MALIBU	7398	1C80F3Z481302	*	
73	FORD TOW TRK	21499	F60DCR95142	*	49,837
79	FORD TRCTR.	21499	7960VFE5209		
74	GMC TRCTR.	21499	TDH924V594594		
82	GMC 2D	01499	1GTCW80H5CR502115	*	22155
78	INTL TRCTR	21499	E2327HGA10004		
74	INTL TOW TRK	21499	10675DHA24667	*	40,269
77	GMC STK TRK	01499	T16DB9V582588	*	65537
74	FORD TOW TRK	21499	F75FVT27993	*	17,764
56	GMC STK TRK	01499	5C56L003027	*	88477
65	UTILITY TRLR	69499	30570		
73	GMC TRCTR	21499	TDH924V594594		
74	COOK BROS TRLR	68499	H5726		
76	KENWORTH TRCTR	21499	244362J		
73	MACK TRCTR	33451	F5711LT19264		
87	UTILITY TRLR	69499	061074		
67	CHEV TOW TRK	21499	TE637P102081DD	*	14,016
72	FORD TOW TRK	21499	N60EVV67349	*	99,887
69	CHEV TOW TRK	21451	TE639P832547DD	*	85,070
82	CHEV TOW TRK	21499	1GBHC34W3BV124506		
72	FORD TOW TRK	21499	N76FVN83730		
66	PFM TRLR	68499	6523CA		
67	BROWN TRLR	68499	5673584		
86	FREIGHTLINER TRCTR	33451	1FV890V90GP275999		
78	FORD TOW TRK	21499	N80FVBB3166		
89	CAD SEVILLE	7398	1G6KS5156KU817739	***	
76	FORD VAN	7398	E23AHB90588		
71	CHEV 2DR	7398	124871N577127		
82	CHEV 4DR	7398	2G1AL69LXC1247457		
81	CAD 2DR	7398	1G6AD4796B912910		
74	DATSUN 2DR	7398	RLF30041053		

* UNDER 6000 MILES PER YEAR
 *** \$500 DED COLLISION
 LOSS PAYABLE: 1st INTERSTATE BANK
 200 PINE ST.
 LONG BEACH, CA 90802
 ATTN: WIL FORD

*Copy to
Leslie*

Vehicles in use at Samson Auto Salvage
Oct. 1989

<u>VEHICLE</u>		<u>VIN</u>	<u>MILEAGE</u>	
82 Olds. 4DSD	7398	1G3AL69N5CM215156		
80 Malibu 2D	7398	1W80AAR438656		
79 Regal 2D Buick	7398	4M47YRH188320		
73 Chev P/U	7398	CCY243Z188078		
75 Chev P/U	01499	CCY333Z189021	00161	*
75 GMC Trk.	01499	TCE674V559193	07468	*
71 Ford Trk	01499	C75EVM15927	08092	*

* Under 6000 Miles per year



Samson Auto Salvage

USED PARTS FOR ALL MAKES

8103 S. ALAMEDA ST.

LOS ANGELES, CALIF. 90001

Dec. 29, 1989

Alexander & Alexander
Two Embarcadero Center
PO Box 3803
San Francisco, CA 94119
Attn: Dan Basich

Dan,
Please add the following vehicles to those already
furnished. They are all located at the Aadlen Bros.
Sun Valley location.

74 GMC Truck	01499	7DH924V598832	
73 Gindy Trlr	68499	108871L	
78 Ford Trk	01499	N80FVBB3166	
75 Chev Trk	01499	CCY335Z142992	
82 Chev Trk	01499	1GTGC341BZ508142	
76 Pont 4dr	7398	2Y69D6N107621 *	03734 miles

* UNDER 6000 miles per year

B. Lehrer
B. Lehrer

eff. 12-15-89 ADD:

79 Chev 2 dr	7398	LS87L9L581000
--------------	------	---------------

Samson Auto Salvage, Et al drivers list, Oct. 1989

<u>Name</u>	<u>Dr. Lic. #</u>	<u>DOB</u>
Sam Adlen	FX-6 Personal Privacy	FX-6: Personal Privacy
Dorothy Adlen		
Nathan Adlen		
Milton Hoffman		
Sam Lewinstein		
Sybil Lewinstein		
Leon Goldstein		
Beverly Goldstein		
Bernard Lehrer		
Bernard Tapper		
Lee Hayslet		
George Koranyi		
Wendy Weiss		
Anthony E. Mata		
Delfino Sequeiros		
Enrique Molin		
Abel Vanegas		
Aucencio Herrera Solis		
Jose Castaneda		
Ricardo Castillo		
Raul Herrera Solis		
Karlos Vasquez		
Ricardo Angel Lopez		
Felix Carson		
LaVere Schmidt Sr.		
Marcelo Aldana		
Rob Lethbridge		
Susan T. Adlen		

EQUIPMENT FLOATER SECTION:

01/05/90

PRODUCER

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA
94119

APPLICANT (First Named Insured)
SAMSON AUTO SALVAGE

PROPOSED EFF. DATE	PROPOSED EXP. DATE	BILLING PLAN	PAYMENT PLAN
10/08/89	10/08/90	<input checked="" type="checkbox"/> AGENCY <input type="checkbox"/> DIRECT	ANNUAL

PHONE 415-296-1300

FOR COMPANY USE ONLY

> TERRITORY OF OPERATION <===== >
SUN VALLEY, CA & LOS ANGELES, CA

> TYPE OF OPERATION (ACORD 125) <===== >
= AUTO DISMANTLING
=
=

> COVERAGE <===== >
SCHEDULED EQUIPMENT

> DEDUCTIBLE <===== >
= \$250 DEDUCTIBLE ITEMS #1, #2, #3
= \$1000 DEDUCTIBLE ITEM #4
=

> EQUIPMENT STORAGE (ACORD 125) <===== >

UNSCHEDULED EQUIPMENT <===== >

LOC #	MO. IN STORAGE	MAXIMUM VALUE		TYPE OF SECURITY	DESCRIPTION	MAXIMUM ITEM	AMT OF INS	% COINS
		IN BUILDING	OUTSIDE					
1.		\$	\$					
2.		\$	\$					
3.		\$	\$					

> ADDITIONAL INTERESTS/CERTIFICATE RECIPIENTS (ATTACH SEPARATE SHEET IF NECESSARY) <===== >

#	NAME AND ADDRESS	INTEREST	CERT
4	FIRST INTERSTATE BANK 200 PINE ST; PO BOX 1490 LONG BEACH, CA 90801	LOSS PAYEE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

> GENERAL INFORMATION <===== >

EXPLAIN ALL 'YES' RESPONSES.

Y N # EXPLAIN ALL 'YES' RESPONSES

1. EQUIPMENT RENTED, LOANED TO/FROM OTHERS WITH/WITHOUT OPERATORS?
2. IS APPLICANT OPERATING EQUIPMENT NOT LISTED HERE?

3. PROPERTY USED UNDERGROUND?
4. ANY WORK DONE AFLOAT?

REMARKS:

EQUIPMENT FLOATER SECTION: page 1 SAMSON AUTO SALVAGE

01/05/90

[illegible]

PREMIUM PAYMENT SCHEDULE

(☒ Indicates Payment(s) Applicable)

Named Insured **Samson Auto Salvage** Policy No. **OL 903-1705**
 * Company **California Insurance Co.** Endorsement No. _____
 * Producer **Alexander & Alexander Inc** Effective Date **10-8-88**

* This information is completed only when this endorsement is issued subsequent to preparation of policy.

☒ **PAYMENT SCHEDULE**

The premium is payable as follows.

DUE DATES:

Payment due at Policy Inception, Anniversary Date or Endorsement effective date of 10-8, 19 88,

PAYMENT AMOUNT:

\$ 28,905.

And 3 payments thereafter due in the amount of on the _____ day of:

\$ 14,098.

- ☐ January
- ☐ February
- ☐ March
- ☒ April
- ☒ May
- ☒ June
- ☐ July
- ☐ August
- ☐ September
- ☐ October
- ☐ November
- ☐ December

Total Premium \$ 71,199.

☐ **REVISED PAYMENTS** (Other than at inception or anniversary date).

	Additional Premium	Return Premium	
Premium Payable at Endorsement Effective Date	\$	\$	
Premium Adjustment to Payment Schedule			
Dates Due	Previous Installment	Increase	Decrease
	\$	\$	\$
	\$	\$	\$
Total Endorsement Premium to Policy Expiration	\$	\$	\$

All other terms and conditions remain unchanged.

Authorized Representative

CP 10 30 11 85

CAUSES OF LOSS—SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F.—Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Building Ordinance

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

b. Earth Movement

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 72-hour period will constitute a single occurrence.

Volcanic action does not include the

cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain; or



COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property; or
3. Your interest in the Covered Property.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

If you violate a condition of this Coverage Part, we will not pay for loss or damage at the involved location. But your coverage will continue for other locations at which the violation does not apply.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

E. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

F. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America;
 - b. Puerto Rico; and
 - c. Canada.

H. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 01 86 04 86

CHANGES—POLLUTANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The changes below apply to the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
TOBACCO SALES WAREHOUSES COVERAGE FORM

1. Under PROPERTY NOT COVERED, the following is added:

Covered Property does not include water.

2. The DEBRIS REMOVAL Additional Coverage is replaced by the following:

Debris Removal

- a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
(2) The end of the policy period.

- b. The most we will pay under this Additional Coverage is 25% of:

- (1) The amount we pay for the direct loss or damage; plus
(2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limit of Insurance section.

- c. This Additional Coverage does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
(2) Remove, restore or replace polluted land or water.

3. The following Additional Coverage is added:

Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

- a. The date of direct physical loss or damage; or
b. The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This limit is in addition to the Limits of Insurance.

4. Paragraph 2. of the LIMITS OF INSURANCE Section is replaced by the following:

2. Debris Removal; but if:

- a. The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or
b. The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 2.b. above;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. The following DEFINITION is added.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- B. The PERIOD OF RESTORATION definition is revised to include the following in the:

BUSINESS INCOME COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM
BUSINESS INCOME FROM DEPENDENT PROPERTIES—BROAD FORM

(over)



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 02 99 11 85

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

- A.** The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
1. Seasonal unoccupancy;
 2. Buildings in the course of construction, renovation or addition; or
 3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- B.** After damage by a Covered Cause of Loss, permanent repairs to the building:
1. Have not started, and
 2. Have not been contracted for,

within 30 days of initial payment of loss.

- C.** The building has:
1. An outstanding order to vacate;
 2. An outstanding demolition order; or
 3. Been declared unsafe by governmental authority.
- D.** Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- E.** Failure to:
1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.



BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H—DEFINITION.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed fixtures, machinery and equipment;
- (3) Outdoor fixtures;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the building or structure;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property—Separation of

Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others; and
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense and cannot legally remove.

c. Personal Property of Others that is:

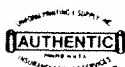
- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;



SUPPLEMENTAL COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply only to those coverages declared on the Supplemental Commercial Inland Marine Declarations, Form CM 70 06 08 87, and apply in addition to the Common Policy Conditions and the terms and conditions contained in the coverage forms shown on the Supplemental Commercial Inland Marine Declarations.

1. **Misrepresentation and Fraud.** The coverage forms to which these conditions apply shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.
2. **Notice of Loss.** The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under the coverage forms to which these conditions apply and shall also file with the Company or its agent within sixty (60) days from date the company requests it, a detailed sworn proof of loss.
3. **Examination Under Oath.** The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **VALUATION.** THE COMPANY SHALL NOT BE LIABLE BEYOND THE ACTUAL CASH VALUE OF THE PROPERTY AT THE TIME ANY LOSS OR DAMAGE OCCURS AND THE LOSS OR DAMAGE SHALL BE ASCERTAINED OR ESTIMATED ACCORDING TO SUCH ACTUAL CASH VALUE WITH PROPER DEDUCTION FOR DEPRECIATION, HOWEVER CAUSED, AND SHALL IN NO EVENT EXCEED WHAT IT WOULD THEN COST TO REPAIR OR REPLACE THE SAME WITH MATERIAL OF LIKE KIND AND QUALITY.
5. **Settlement of Loss.** All adjusted claims shall be paid or made good to the Insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.
6. **No Benefit to Bailee.** This insurance shall in nowise inure directly or indirectly to the benefit of any carrier or other bailee.
7. **Subrogation or Loan.** If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.
8. **Loss Clause.** Any loss hereunder shall not reduce the amount of this insurance, except in the event of payment of claim for total loss of an item specifically scheduled hereon. If claim is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the Insured or applied to the premium due on item(s) replacing those on which the claim was paid.
9. **PAIR, SET OR PARTS. IN THE EVENT OF LOSS OR DAMAGE TO:**
 - A. ANY ARTICLE OR ARTICLES WHICH ARE A PART OF A PAIR OR SET, THE MEASURE OF LOSS OR DAMAGE TO SUCH ARTICLE OR ARTICLES SHALL BE REASONABLE AND FAIR PROPORTION OF THE TOTAL VALUE OF THE PAIR OR SET, GIVING CONSIDERATION TO THE IMPORTANCE OF

BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V—DEFINITIONS.

SECTION I—COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

- | SYMBOL | DESCRIPTION |
|--------|---|
| 1 | = ANY "AUTO". |
| 2 | = OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins. |
| 3 | = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins. |
| 4 | = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins. |
| 5 | = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged. |
| 6 | = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and |

cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

- 7 = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE)
- 8 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your employees or partners or members of their households.
- 9 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols 1, 2, 3, 4, 5, or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this Coverage

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

16 99 03 01 87

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

A. COVERAGE

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred within three years from the date of the "accident".

B. WHO IS AN INSURED

1. You while "occupying" or while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or while a pedestrian when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your employee arising out of and in the course of employment by you. However, we will cover "bodily injury" to your co-

mestic employees if not entitled to workers' compensation benefits.

5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. LIMIT OF INSURANCE

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the LIMIT OF INSURANCE for AUTO MEDICAL PAYMENTS COVERAGE shown in the Declarations.

E. CHANGES IN CONDITIONS

The CONDITIONS are changed for AUTO MEDICAL PAYMENTS COVERAGE as follows:

1. The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition does not apply.
2. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.



Alexander & Alexander of California, Inc.
Two Embarcadero Center
P.O. Box 3803
San Francisco, California 94119
Telephone 415 434-1500
FAX 415 788-5916
TWX 910 372-6039



February 13, 1989

Mr. Bernie Lehrer
Sampson Auto Salvage
8103 S. Alameda Street
Los Angeles, CA 90001

Dear Bernie:

Enclosed is your Commercial Package policy for the period October 8, 1988 to October 8, 1989.

Also enclosed is the endorsement amending your sales from a policy estimate of \$2,000,000 to the actual figure of \$2,368,412.

As per our previous agreement payment will be made in \$2,000 weekly installments, thus enabling you to save the finance charge as developed under a conventional payment plan.

Also enclosed is the Driver Exclusion Endorsement for Abel Vaneyas. Please sign the endorsement and return to my attention.

I appreciate your patience in waiting for the policy but I was awaiting the adjustment amending your sales.

I sincerely thank you for giving us your account, and should you have a question please do not hesitate to call me personally.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Dan'.

Dan Basich
Vice President

DB:rn:n301

enc.

**COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS**

Policy No. 0L 903-1705

Effective Date: 10-8-88 **
12:01 A.M., Standard Time

DESCRIPTION OF PREMISES		
Prem. No. Bldg. No.	Location, Construction & Occupancy	
I	11590 Tuxford Street, Sun Valley, Ca. Auto Salvage	

COVERAGES PROVIDED—Insurance at the Described Premises applies only for coverages for which a limit of insurance is shown.

PREM. BLDG. NO.	COVERAGE	CO. INSURANCE	LIMIT OF INSURANCE	DEDUCTIBLE (If other than \$250)	COVERED CAUSE OF LOSS (Form and Edition Date)	RATES
1	Personal Property	90	1,000.	250.	CP1030 11-85	

COVERAGE OPTIONS—The following coverage options are provided when designated by a ☒ and an entry under the Premises listed below.

COVERAGE:	Prem. 1 Bldg. ____	Prem. ____ Bldg. ____	Prem. ____ Bldg. ____
BUILDING			
<input type="checkbox"/> Replacement cost (x)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Inflation Guard	____ %	____ %	____ %
<input type="checkbox"/> Agreed Value (expiration date)	_____	_____	_____
<input type="checkbox"/> _____	_____	_____	_____
PERSONAL PROPERTY			
<input checked="" type="checkbox"/> Replacement cost (x)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Replacement cost (incl. stock) (x)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Inflation Guard	____ %	____ %	____ %
<input type="checkbox"/> Agreed Value (expiration date)	_____	_____	_____
<input type="checkbox"/> _____	_____	_____	_____
BUSINESS INCOME			
<input type="checkbox"/> Monthly Limit of Indemnity (Fraction)	_____	_____	_____
<input type="checkbox"/> Maximum Period of Indemnity (x)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Agreed Value (expiration date)	_____	_____	_____
<input type="checkbox"/> _____	_____	_____	_____
<input type="checkbox"/> OTHER (Describe)	_____	_____	_____

MORTGAGE HOLDER(S)	
Prem. No. Bldg. No.	Mortgage Holder Name and Mailing Address

FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)			
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:			
<u>Applicable to All Coverages</u>		<u>Applicable to Specific Premises/Coverages</u>	
CP7500 5-87	Prem./Bldg. No.	Coverages	Form(s)
CP0186 4-86	1	Personal	CP0010 11-85
CP0299 11-85		Property	CP1910 11-85

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No. OL 903-1705

Effective Date: 10-8-88 **
12:01 A.M., Standard Time

LIMITS OF INSURANCE							
General Aggregate Limit (Other Than Products—Completed Operations)				\$ 1,000,000.			
Products—Completed Operations Aggregate Limit				\$ 1,000,000.			
Personal and Advertising Injury Limit				\$ 1,000,000.			
Each Occurrence Limit				\$ 1,000,000.			
Fire Damage Limit				\$ 50,000. Any One Fire			
Medical Expense Limit				\$ 5,000. Any One person			
RETROACTIVE DATE (CG 75 01 only)							
Coverage A of this Insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here: _____ <small>(Enter Date or "None" if no Retroactive Date applies)</small>							
BUSINESS DESCRIPTION AND LOCATION OF PREMISES							
Form of Business: <input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation							
Business Description*: <p style="margin-left: 40px;">Auto Dismantler</p>							
Location of All Premises You Own, Rent or Occupy: <p>1. 11590 Tuxford St., Sun Valley, Ca.</p> <p>2. 8103 South Alameda St., Los Angeles, Ca.</p>							
PREMIUM							
Loc.	Classification	Code No.	Premium Basis	Rate Pr/CO All Other	Advance Premium Pr/CO All Other		
1,	Auto parts & supplies distributors	10070	S) 1,350,000	2.898\$	\$ 3912.		
		10070	S) 1,350,000	1.932	2608.		
1,	Auto parts & supplies stores	10071	S) 650,000	5.694	3701.		
		10071	S) 650,000	3.955	2572.		
2,	Auto parts & supplies distributors	10070	S) Incl.	Incl.	Incl.		
2,	Auto parts & supplies stores	10071	S) Incl.	Incl.	Incl.		
Total Advance Premium					\$ 12,793.		
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)							
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue: <p style="margin-left: 40px;">CG7500 5-87</p>							

*Information omitted if shown elsewhere in the policy.

**Inclusion of date optional.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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**SUPPLEMENTAL
COMMERCIAL INLAND MARINE COVERAGE PART
DECLARATIONS**

Policy No. OL 903-1705

Effective Date: 10-8-88 **
12:01 A.M., Standard Time

BUSINESS DESCRIPTION*
AUTO DISMANTLING
PREMIUM
Premium for this Coverage Part \$ 160.
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)
Forms and Endorsements Applying to this Coverage Part and made part of this policy at time of issue: CM7502 8-87

*Information omitted if shown elsewhere in the policy

**Inclusion of date optional.

Contractor's Equipment Floater 1P073 R1 (11-78)

1P077 R3 (2-82)

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Throughout this Coverage Part, the words "the insured", "an insured", and "any insured" refer to any person or organization qualifying as an insured under SECTION II—WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V—DEFINITIONS.

SECTION I—COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS—COVERAGES A AND B. This insurance applies only to "bodily injury" and "property damage" which occurs during the policy period. The "bodily injury" or "property damage" must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory". We will have the right and duty to defend any "suit" seeking those damages. But:

- (1) The amount we will pay for damages is limited as described in SECTION III—LIMITS OF INSURANCE;
- (2) We may investigate and settle any claim or "suit" at our discretion; and
- (3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
- (4) Where by agreement or pursuant to law, you select the attorney who will conduct the defense of a claim or suit against you, our obligation to pay the attorney fees is limited to reimbursing you for that portion of any fee incurred which is not in excess of the usual and customary fee charged by defense counsel competent in defending claims of the kind covered by this insurance in the county where the suit would ordinarily be tried.

- b. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- c. "Property damage" that is loss of use of tangible

property that is not physically injured shall be deemed to occur at the time of the "occurrence" that caused it.

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
 - (1) Assumed in a contract or agreement that is an "insured contract"; or
 - (2) That the insured would have in the absence of the contract or agreement.
- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
 - (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

- d. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- e. "Bodily injury" to:
 - (1) An employee of the insured arising out of and in the course of employment by the insured; or
 - (2) The spouse, child, parent, brother or sister

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 70 03 88

CALIFORNIA CHANGES—CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART—EXCEPT COVERAGE FORMS A AND B
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The following is added to the CANCELLATION Common Policy Condition:

7. POLICIES IN EFFECT FOR MORE THAN 60 DAYS

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

- (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
- (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
- (4)** Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5)** Failure by you or your representative to implement reasonable loss control re-

quirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

- (a)** Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
- (b)** Continuation of the policy coverage would:
 - i** Place us in violation of California law or the laws of the state where we are domiciled; or
 - ii** Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, and to the producer of record, at least:

- (1)** 10 days before the effective date of cancellation if we cancel for a reason listed in paragraph 7.a.(1) or (2).

(over)



POLICY NUMBER: OL 903-1705

(S) CF 270
(11-85)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 19 10 11 85

YOUR BUSINESS PERSONAL PROPERTY—SEPARATION OF COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Type of Property	Limit of Insurance	Coinsurance
1		(1)	1,000.	90

- A. The above Limits of Insurance apply to the types of property included under YOUR BUSINESS PERSONAL PROPERTY.
- B. At any location shown in the Schedule, any type of Your Business Personal Property for which no Limit of Insurance is shown is Property Not Covered.



COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA UNINSURED MOTORISTS COVERAGE - BODILY INJURY

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

A. COVERAGE

1. We will pay all sums the "INSURED" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the "insured" caused by an "accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. If this insurance provides a limit in excess of the amounts required by the applicable law where a covered "auto" is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. WHO IS AN INSURED

1. You.
2. If you are an individual, any "family member."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
4. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured."

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent.

3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle owned by you or any "family member" that is not a covered "auto."
5. "Bodily injury" sustained by you or any "family member" while "occupying" any vehicle leased by you or any "family member" under a written contract for a period of 6 months or more that is not a covered "auto".
6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," "insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the LIMIT OF INSURANCE for UNINSURED MOTORISTS COVERAGE shown in the Declarations.
2. Except for a vehicle described in paragraph b. of the definition of "uninsured motor vehicle," any amount payable for damages under this coverage shall be reduced by:
 - a. All sums paid or payable under any workers' compensation law exclusive of nonoccupational disability benefits, and
 - b. All sums paid by or for anyone who is legally responsible, including all sums paid under this policy's LIABILITY COVERAGE.
3. For a vehicle described in paragraph b. of the definition of "uninsured motor vehicle," our Limit of Insurance shall be reduced by all sums paid because of "bodily injury" by or for anyone who is legally responsible, including all sums paid or payable under this policy's LIABILITY COVERAGE.
4. Any amount payable for damages under this coverage shall be reduced by any amount paid or payable under automobile medical payments coverage.
5. In no event will an "insured" be entitled to receive duplicate payment for the same elements of "loss."

E. CHANGES IN CONDITIONS

The CONDITIONS are changed for CALIFORNIA UNINSURED MOTORISTS COVERAGE - BODILY INJURY as follows:

1. OTHER INSURANCE is replaced by the following:
 - a. For "bodily injury" sustained by an "insured" while "occupying" an "auto" he or she does not own, UNINSURED MOTORISTS COVERAGE does not apply if the owner of the "auto" has uninsured motorists coverage.
 - b. Except as provided in paragraph a, if an "insured" has other uninsured motorists coverage, the damages shall be deemed not to exceed the higher of the applicable limits of the respective coverages. We will pay only our share of these damages. Our share is the proportion that the limit of UNINSURED MOTORISTS COVERAGE bears to the total of the limits of all uninsured motorists coverages.
2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved, and
 - b. Promptly send us copies of the legal papers if a "suit" is brought. In addition, a person seeking coverage under paragraph b. of the definition of "uninsured motor vehicle" must:
 - (1) Provide us with a copy of the complaint by personal service or certified mail if the "insured" brings an action against the owner or operator of such "uninsured motor vehicle,"
 - (2) Within a reasonable time, make all pleadings and depositions available for copying by us or furnish us copies at our expense, and
 - (3) Provide us with proof that the limits of insurance under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.
3. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is replaced by the following:

- a. With respect to paragraphs a., c. and d. of the definition of "uninsured motor vehicle," if we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
- b. With respect to paragraph b. of the definition of "uninsured motor vehicle," if we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

4. LEGAL ACTION AGAINST US is replaced by the following:

No legal action may be brought against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form or unless within one year from the date of the "accident:"

- a. "Suit" for "bodily injury" has been filed against the uninsured motorist in a court of competent jurisdiction and written notice of such suit has been given to us, or
- b. Agreement as to the amount due under this insurance has been concluded, or
- c. The "insured" has formally instituted arbitration proceedings against us.

5. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event the disagreement will be settled by a single neutral arbitrator. Each party will bear the expenses of the arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section:

1. "Family member" means your spouse, whether or not a resident of your household, and any other person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or trailer:
 - a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged; or
 - b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged but that sum is less than the LIMIT OF INSURANCE for this coverage; or
 - c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent; or
 - d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with an "insured," a covered "auto" or a vehicle an "insured" is "occupying."

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed or modified for use primarily off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 21 71 01 88

PUNITIVE DAMAGES EXCLUSION

This endorsement modifies insurance provided under the following:

UNINSURED MOTORISTS COVERAGE
UNDERINSURED MOTORISTS COVERAGE

The following is added to Exclusions:

This insurance does not apply to punitive or exemplary damages.



Policy Change
Number CG-1

GU 269
(11-85)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. OL 903-1705	POLICY CHANGES EFFECTIVE 10-8-88	COMPANY California Insurance
NAMED INSURED Samson Auto Salvage		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED Commercial General Liability		
CHANGES In consideration of an additional premium of <u>\$2,380.</u> it is hereby agreed that the total sales is increased to <u>\$2,368,412.</u> Amended Premium Basis and Annual Premium: Code 10070 S) 1,598,678. - \$7,721. Code 10070 S) 769,734. - \$7,428.		

1-31-89 aw

Authorized Representative Signature



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 01 43 01 87

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

For a covered "auto" licensed or principally garaged in or "garage operations" conducted in California, the Coverage Form is changed as follows:

A. Liability Coverage is changed as follows:

Any damages otherwise payable under Liability Coverage to the owner or operator of an "uninsured motor vehicle" shall be reduced by all sums paid or payable to an "insured" under CALIFORNIA UNINSURED MOTORISTS COVERAGE—BODILY INJURY or CALIFORNIA UNINSURED MOTORISTS COVERAGE—PROPERTY DAMAGE. This provision applies only if the claim of the "insured" and the claim of the owner or operator of the "uninsured motor vehicle" result from the same "accident".

B. The OTHER INSURANCE Condition is changed by adding the following:

d. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:

1. One provides coverage to a Named Insured engaged in the business of selling, repairing, servicing, delivering, testing, road testing, parking or storing "autos", and
2. The other provides coverage to a person not engaged in that business, and

3. At the time of an "accident", a person described in 2. is operating an "auto" owned by the business described in 1., then that person's liability coverage is primary and the Coverage Form issued to a business described in 1. is excess over any coverage available to that person.

e. When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:

1. One provides coverage to a Named Insured engaged in the business of repairing, servicing, parking or storing "autos", and
2. The other provides coverage to a person not engaged in that business, and
3. At the time of an "accident" an "insured" under the Coverage Form described in 1. is operating an "auto" owned by a person described in 2., then the Coverage Form issued to the business described in 1. is primary and the Liability Coverage issued to a person described in 2. is excess over any coverage available to the business.



ACORD INSURANCE BINDER

ISSUE DATE (MM/DD/YY)
1/6/88

BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER ALEXANDER & ALEXANDER OF CALIFORNIA, INC. P.O. Box 3803 San Francisco, California 94119 Telephone (415) 434-1500		COMPANY Industrial Indemnity		BINDER NO. N 00390	
DATE EFFECTIVE 1/8/88		TIME 12:01		DATE EXPIRATION 2/8/88	
		<input checked="" type="checkbox"/> AM		<input checked="" type="checkbox"/> 12:01 AM	
		PM		NOON	
THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.:					
CODE		SUB-CODE		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION)	
INSURED Adelen Brothers Auto Wrecking & Samson Auto Salvage, Brothers Foreign Car Auto Wrecking, Universal Auto Wrecking, American Truck Sales, Foreign Auto Wrecking, California Car Hikers, Brothers Auto Sales, Sam Adlen an Individual 8103 S. Alameda St., Los Angeles, Ca. 90001		Auto Dismantlers Loc. #1 11590 Tuxford St., Sun Valley, Ca. 91352 Loc. #2 8103 S. Alameda St., Los Angeles, Ca. 90001			

COVERAGES		ALL LIABILITY LIMITS IN THOUSANDS		
TYPE OF INSURANCE	COVERAGES/FORMS	AMOUNT	DEDUCTIBLE	COINSURANCE
PROPERTY <input checked="" type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPECIAL CAUSES OF LOSS	Personal Property with replacement cost	\$1,000	\$250	90%
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACTORS PROTECTIVE	RETRO DATE FOR CLAIMS MADE: _____	GENERAL AGGREGATE \$1,000, PRODUCTS-COMP/OPS AGGREGATE \$1,000, PERSONAL & ADVERTISING INJURY \$1,000, EACH OCCURRENCE \$1,000, FIRE DAMAGE (ANY ONE FIRE) \$ 50, MEDICAL EXPENSE (ANY ONE PERSON) \$ 5,		
AUTOMOBILE <input checked="" type="checkbox"/> LIABILITY <input checked="" type="checkbox"/> NON/OWNED <input checked="" type="checkbox"/> HIRED <input checked="" type="checkbox"/> GARAGE <input checked="" type="checkbox"/> GKLL \$15,000	<input checked="" type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	CSL \$1,000,000 BI PERS/ACCID \$ PD \$ MED PAY \$ 5,000 PIP \$ UM \$ 60,000		
AUTO PHYSICAL DAMAGE <input type="checkbox"/> COLLISION DED: <input checked="" type="checkbox"/> QTC DED: \$250	<input type="checkbox"/> ALL VEHICLES <input checked="" type="checkbox"/> SCHEDULED VEHICLES	<input checked="" type="checkbox"/> ADV STATED AMOUNT \$ OTHER		
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE: _____	EACH OCCURRENCE AGGREGATE SELF-INSURED RETENTION		
WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY		STATUTORY \$ (EACH ACCIDENT) \$ (DISEASE-POLICY LIMIT) \$ (DISEASE-EACH EMPLOYEE)		

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES

Scheduled Property Floater - \$20,000
Auto Schedule to be verified
Premium to be determined

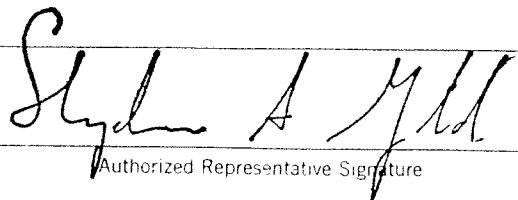
NAME & ADDRESS

	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN#	
	AUTHORIZED REPRESENTATIVE Alexander & Alexander	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. NP 909-3004	POLICY CHANGES EFFECTIVE 10/8/87	COMPANY INDUSTRIAL INDEMNITY
NAMED INSURED AADLEN BROTHERS AUTO WRECKING		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED COMMERCIAL PROPERTY		
CHANGES <u>AMENDED NAMED INSURED</u> AADLEN BROTHERS AUTO WRECKING & SAMSON AUTO SALVAGE, BROTHERS FOREIGN CAR AUTO WRECKING, UNIVERSAL AUTO WRECKING, AMERICAN TRUCK SALES, A FOREIGN AUTO WRECKING, CALIFORNIA CAR HIKERS, BROTHERS AUTO SALES, SAM ADLEN, AN INDIVIDUAL.		


Authorized Representative Signature

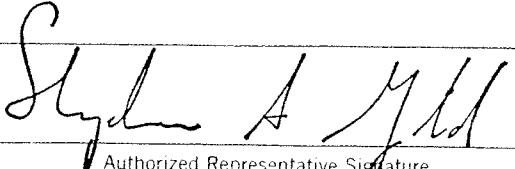


6/2/88 1n

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. NP 909-3004	POLICY CHANGES EFFECTIVE 10/8/87	COMPANY INDUSTRIAL INDEMNITY
NAMED INSURED AADLEN BROTHERS AUTO WRECKING		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED UNCONTROLLED INLAND MARINE		
<p style="text-align: center;">CHANGES</p> <p>IT IS HEREBY AGREED THAT ITEM 1 OF THE CONTRACTOR'S SCHEDULED EQUIPMENT IS AMENDED TO READ AS FOLLOWS:</p> <p>1. 1979 4 TON FORKLIFT - \$10,000.</p> <p><u>NO ADJUSTMENT IN PREMIUM INVOLVED.</u></p>		



Authorized Representative Signature

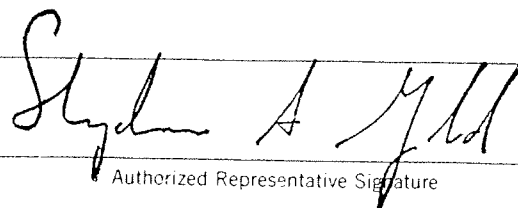


6/2/88 1n

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. NM 909-3005	POLICY CHANGES EFFECTIVE 10/8/87	COMPANY INDUSTRIAL INDEMNITY CO.
NAMED INSURED AADLEN BROS. AUTO WRECKING		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED COMMERCIAL GENERAL LIABILITY		
CHANGES AMENDED NAMED INSURED: AADLEN BROTHERS AUTO WRECKING SAMSON AUTO SALVAGE BROTHERS FOREIGN CAR AUTO WRECKING UNIVERSAL AUTO WRECKING AMERICAN TRUCK SALES A FOREIGN AUTO WRECKING CALIFORNIA CAR HIKERS BROTHERS AUTO SALES SAM ADLEN, AN INDIVIDUAL 6/2/88 NG		

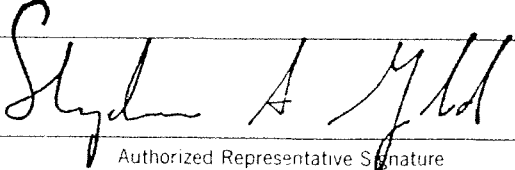

Authorized Representative Signature



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. NM 909-3005	POLICY CHANGES EFFECTIVE 10/8/87	COMPANY INDUSTRIAL INDEMNITY CO.
NAMED INSURED AADLEN BROS. AUTO WRECKING, ETAL		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED COMMERCIAL GENERAL LIABILITY		
<p style="text-align: center;">CHANGES</p> <p>IT IS HEREBY AGREED THAT THE DESCRIPTION OF LOCATIONS ARE AMENDED TO READ AS FOLLOWS:</p> <p>LOCATION 1 - 11590 TUXFORD, 8520 TELFAIR, 11409 PENROSE SUN VALLEY, CALIFORNIA 91352</p> <p>LOCATION 2 - 8103-8119 SOUTH ALAMEDA STREET LOS ANGELES, CALIFORNIA 90001</p> <p>6/2/88 NG</p>		


Authorized Representative Signature



COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. NON-BINDING ARBITRATION

1. If we and an insured do not agree concerning whether coverage is provided under any Coverage Part for a claim made by or against an insured, then either party may make a written demand for arbitration.

When such a demand is made, arbitration shall be a condition precedent to the filing of any civil action relating to or arising out of such disagreements.

2. We and such insured may agree to use one arbitrator. If we and such insured fail to agree upon

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 03 11 85

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY—NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



ALEXANDER & ALEXANDER, INC.

Two Embarcadero Center, San Francisco, CA 94111

SUMMARY OF INSURANCE

FOR: Adlen Brothers Auto Wrecking, et al. (as per endorsement)

DATE: June 28, 1988

INSURANCE COMPANY: California Insurance Co. POLICY NO. MN909-3006

POLICY PERIOD: 10/8/87-88

COVERAGE/LOCATION	LIMITS OF LIABILITY	PREMIUM
<u>Location: 1</u>		
11590 Tuxford Street Sun Valley, CA 91352	\$1,000 On Business Personal Property, Deductible \$250 Causes of Loss - Special Form Co-insurance 90%	\$40,749
8520 Telfair Sun Valley, CA 91352	\$1,000 On Fire Department Services	
11409 Penrose Sun Valley, CA 91352	\$2,500 On Personal Effects - \$1,000 Maximum each person	
<u>Location: 2</u>	\$2,500 On Property of Others	
8103-8119 South Alameda Street Los Angeles, CA 90001		

This summary does not take the place of or alter any of the conditions, exclusions and other terms of the insurance policies herein summarized. It is merely a short descriptive guide to the policies in force, for convenient reference. The policies themselves should be reviewed carefully and questions on coverage, claims and all other insurance matters should be referred to your A&A contacts.

ALEXANDER & ALEXANDER, INC.

Two Embarcadero Center, San Francisco, CA 94111

Page 2 of 6

SUMMARY OF INSURANCE

FOR: Adlen Brothers Auto Wrecking, et al. (as per endorsement)

DATE: June 28, 1988

INSURANCE COMPANY: California Insurance Co. POLICY NO. MN909-3006

POLICY PERIOD: 10/8/87-88

COVERAGE/LOCATION

LIMITS OF LIABILITY

PREMIUM

NAMED INSURED:

\$2,500 On Property Off Premises

Bernie Lehrer

1,000 On Valuable Papers and Records

\$16,000 On Contractor's Equipment Floater

Deductible: \$250
Coinsurance: 90%

Comprehensive General Liability:

\$1,000,000 On General Aggregate Limit (other than Products-Completed Operations)

\$1,000,000 On Products-Completed Operations Aggregate Limit

\$1,000,000 On Personal & Advertising Injury Limit

\$1,000,000 On Each Occurrence Limit

\$ 50,000 On Fire Damage Limit

\$ 5,000 On Medical Expense Limit

This summary does not take the place of or alter any of the conditions, exclusions and other terms of the insurance policies herein summarized. It is merely a short descriptive guide to the policies in force, for convenient reference. The policies themselves should be reviewed carefully and questions on coverage, claims and all other insurance matters should be referred to your A&A contacts.

A102502N.SCA-6/88

ALEXANDER & ALEXANDER, INC.

Two Embarcadero Center, San Francisco, CA 94111

Page 3 of 6

SUMMARY OF INSURANCE

FOR: Adlen Brothers Auto Wrecking, et al. (as per endorsement)

DATE: June 28, 1988

INSURANCE COMPANY: California Insurance Co. POLICY NO. NN909-3006

POLICY PERIOD: 10/8/87-88

COVERAGE/LOCATION

LIMITS OF LIABILITY

PREMIUM

Comprehensive General Liability
Audit Basis: Gross Sales

Estimated Deposit Premium based on
Estimated Gross Sales of: \$2,000,000

This summary does not take the place of or alter any of the conditions, exclusions and other terms of the insurance policies herein summarized. It is merely a short descriptive guide to the policies in force, for convenient reference. The policies themselves should be reviewed carefully and questions on coverage, claims and all other insurance matters should be referred to your A&A contacts.

A102502N.SCA-6/88

ALEXANDER & ALEXANDER, INC.

Two Embarcadero Center, San Francisco, CA 94111

Page 4 of 6

SUMMARY OF INSURANCE

FOR: Adlen Brothers Auto Wrecking, et al. (as per endorsement)

DATE: June 28, 1988

INSURANCE COMPANY: California Insurance Co. POLICY NO. NN909-3006

POLICY PERIOD: 10/8/87-88

COVERAGE/LOCATION

LIMITS OF LIABILITY

PREMIUM

Business Auto Coverages:

\$1,000,000	On Combined Bodily Injury and Property Damage - each accident
\$ 5,000	On Auto Medical Payments - each person
\$ 60,000	On Uninsured Motorists - each accident
\$ 250	Deductible on Comprehensive - (specifically described vehicles only)
\$25,000	Garagekeeper's Legal Liability - Deductible: \$500
Included	Non-Owned & Hired Auto Coverages

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A102502N.SCA-6/88

ALEXANDER & ALEXANDER, INC.
Two Embarcadero Center, San Francisco, CA 94111

Page 5 of 6

SUMMARY OF INSURANCE

FOR: Adlen Brothers Auto Wrecking, et al. (as per endorsement)

DATE: June 28, 1988

INSURANCE COMPANY: California Insurance Co. POLICY NO. MN909-3006

POLICY PERIOD: 10/8/87-88

COVERAGE/LOCATION

LIMITS OF LIABILITY

PREMIUM

Vehicle Schedule:

- | | |
|------------------------------------|-----------------------------|
| (1) 1967 Brown Trailer ✓ | (10) 1978 Ford P/U ✓ |
| (2) 1976 Ford 1/2 Ton P/U ✓ | (11) 1970 Ford P/U ✓ |
| (3) 1981 Cadillac Deville ✓ | (12) 1971 Ford Box Truck ✓ |
| (4) 1976 Ford Van ✓ | (13) 1967 Dodge ✓ |
| (5) 1976 Pontiac Sedan ✓ | (14) 1974 GMC Stake Truck ✓ |
| (6) 1973 Int'l Harvester Tractor ✓ | (15) 1973 Chevy El Camino ✓ |
| (7) 1972 Ford Tow Truck ✓ | (16) 1973 Chev. 1 Ton ✓ |
| (8) 1969 Chevy Tow Truck ✓ | (17) 1973 Chev. P/U ✓ |
| (9) 1975 Chevy Tow Truck ✓ | |

This summary does not take the place of or alter any of the conditions, exclusions and other terms of the insurance policies herein summarized. It is merely a short descriptive guide to the policies in force, for convenient reference. The policies themselves should be reviewed carefully and questions on coverage, claims and all other insurance matters should be referred to your A&A contacts.

ALEXANDER & ALEXANDER, INC.
Two Embarcadero Center, San Francisco, CA 94111

Page 6 of 6

SUMMARY OF INSURANCE

FOR: Adlen Brothers Auto Wrecking, et al. (as per endorsement)

DATE: June 28, 1988

INSURANCE COMPANY: California Insurance Co. POLICY NO. NN909-3006

POLICY PERIOD: 10/8/87-88

COVERAGE/LOCATION

LIMITS OF LIABILITY

PREMIUM

Vehicles to be added effective October 8, 1987:

- | | |
|-----------------------------|--------------------------------|
| (1) 1975 Chev. 2 Door ✓ | (11) 1975 Chev. Tow Truck ✓ |
| (2) 1977 Linc. Versailles ✓ | (12) 1981 Chev. Tow Truck ✓ |
| (3) 1982 Olds Sedan ✓ | (13) 1974 GMC Tractor ✓ |
| (4) 1980 Olds Cutlass ✓ | (14) 1982 Olds 4 Door ✓ |
| (5) 1981 Buick Century ✓ | (15) 1967 Int'l Truck ✓ |
| (6) 1979 Chev. 2 Door ✓ | (16) 1971 Chev. 2 Door ✓ |
| (7) 1970 Chev. 2 Door ✓ | (17) 1956 Utility Trailer ✓ |
| (8) 1979 GMC Truck ✓ | (18) 1955 Cook Bros. Trailer ✓ |
| (9) 1976 Kenworth Tractor ✓ | (19) 1957 Cook Bros. Trailer ✓ |
| (10) 1972 Ford Tractor ✓ | |

This summary does not take the place of or alter any of the conditions, exclusions and other terms of the insurance policies herein summarized. It is merely a short descriptive guide to the policies in force, for convenient reference. The policies themselves should be reviewed carefully and questions on coverage, claims and all other insurance matters should be referred to your A&A contacts.

A102502N.SCA-6/88

ALEXANDER & ALEXANDER OF CA

SAMSONS

01/22/90

* C U S T O M E R M E M O *

SAMSON AUTO SALVAGE
BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA 91352

To: BERNARD LEHRER

Re: COMMERCIAL PACKAGE

POLICY NO: OL 903-1705
EFF. DATE: 10/08/89

TYPE: AP
EXP DATE: 10/08/90

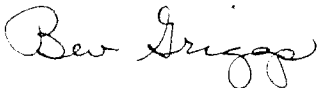
Dear Bernie:

Enclosed is the final audit for the policy term 10-8-88 to 10-8-89,
along with our invoice #778284 in the amount of \$5,869.

Inasmuch as this is a field audit, I cannot verify the figures. However,
should you have any questions, they will have to be addressed
immediately as time is very limited to dispute audits.

Please make this a priority item to verify the figures.

Regards,



enclosures

FROM: Beverly J. Griggs, CPIW

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA 94119

CO. 1	DIV. 01	PRODUCER NO. 44603	POLICY NO. OL 903-1705	PERIOD OF INVOICE FROM: 10/8/88 TO: 10/8/89
INSURED SAMSON AUTO SALVAGE 11590 TUXFORD STREET SUN VALLEY, CA 91352				DATE OF INVOICE 1/8/90

PRODUCER
**ALEXANDER & ALEXANDER OF CALIFORNIA, INC.
P.O. BOX 3803
SAN FRANCISCO, CA 94119**

POLICY PERIOD FROM: 10/8/88 TO: 10/8/89	
--	--

CODE	CLASSIFICATIONS AND LOCATIONS	PREMIUM BASES	RATES		PREMIUM		
			BI	PD	BI	PD	MED PAY

LOC.1-11590 TUXFORD STREET-SUN VALLEY
ADDLER BROTHERS.

10070	AUTO PARTS & SUPPLIES-DISTRIBUT.	1,784,250	2.898	5,171
10070	AUTO PARTS & SUPPLIES-DISTRIBUT.	1,784,250	1.932	3,447
10071	AUTO PARTS & SUPPLIES-STORE	277,320	5.694	1,579
10071	AUTO PARTS & SUPPLIES-STORE	277,320	3.955	1,097

LOC.2- 8103 SO. ALAMEDA (SAMSON)

10070	AUTO PARTS & SUPPLIES-DISTRIBUT.	620,801	2.898	1,799
10070	AUTO PARTS & SUPPLIES-DISTRIBUT.	620,801	1.932	1,199
10071	AUTO PARTS & SUPPLIES-STORE	415,717	5.694	2,367
10071	AUTO PARTS & SUPPLIES-STORE	415,717	3.955	1,644

EARNED PREMIUM 18,303

LESS PREVIOUSLY BILLED -15,173-

ADDITIONAL PREMIUM- GENERAL LIABILITY- 3,130

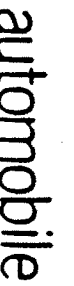
ADDITIONAL PREMIUM - AUTOS (AS PER ATTACHED DETAIL) 2,681

EARNED PREMIUM 5,811

C I G A 58

5,869

PER FIELD AUDIT



INSURED		SHEET	
SAMSON AUTO SALVAGE		1 OF 1	
POLICY PERIOD		AUMD PERIOD	
10/8/88	TO 10/8/89	10/8/88	TO 10/8/89
POLICY NUMBER		POLICY NUMBER	
001, 903-1705			

[illegible][illegible]

31.0000 10 18 75
A.P. 2,681

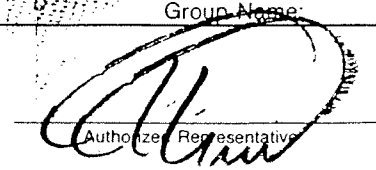
COMMERCIAL PACKAGE POLICY

 **Industrial Indemnity**
a Crum and Forster organization

* NP909-3004

NN909-3006, NM909-3005

DECLARATIONS

Item	Renewal of: *	Date Issued: 10-27-88	aw Policy No.	OL 903-1705
1.	NAMED INSURED AND ADDRESS SAMSON AUTO SALVAGE, ET AL 11590 TUXFORD STREET SUN VALLEY, CA. 91352			
RETURN TO COMPANY IF CANCELLED				
2.	POLICY PERIOD: From 10-8-88 To 10-8-89 12:01 A.M. Standard Time at Your Mailing Address Shown Above.			
3.	THIS INSURANCE POLICY IS ISSUED BY: <input type="checkbox"/> Industrial Indemnity Company <input type="checkbox"/> Industrial Indemnity Company of Alaska <input type="checkbox"/> Industrial Indemnity Company of The Northwest <input type="checkbox"/> Industrial Insurance Company of Hawaii, Ltd. <input type="checkbox"/> Industrial Indemnity Company of Idaho <input checked="" type="checkbox"/> California Insurance Company <input type="checkbox"/> SAN FRANCISCO, CA.		Producer Name and Address ALEXANDER & ALEXANDER OF CALIFORNIA INC P.O. BOX 3803 SAN FRANCISCO, CA. 94119	
4.	FORM OF BUSINESS: <input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/>			
5.	BUSINESS DESCRIPTION: <u>AUTO DISMANTLER</u>			
6.	In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage part(s) for which a premium is indicated. This premium may be subject to adjustment.			
	Coverage Part(s)	Coverage Part Declarations Form (Number and Edition Date)	Advance Premium	
	Commerical Property Coverage Part	CP7000 10-87	100.	
	Commercial Inland Marine Coverage Part			
	Commercial General Liability Coverage Part	CG7000 5-87	12,793.	
	Commercial Auto Coverage Part	CA7000 5-87	57,441.	
	Commercial Crime Coverage Part			
	Other (Specify) UNCONTROLLED INLAND MARINE	CM7006 8-87	160.	
7.	FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date) 1L7500 5-87, 1L0003 11-85, 1X572 6-86, 1L0270 3-88, 1L1201 11-85 1L7001 5-87			
8.	Total Advance Premium CIGA \$ 71,199.00 (Includes \$ 705. Tax and/or Surcharge)			
	Premium is Payable: <input type="checkbox"/> Direct Bill <input type="checkbox"/> At Inception <input checked="" type="checkbox"/> See Premium Payment Schedule		Client No.	
	Audit Period: Annual (Unless otherwise Stated): <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/>		Group No.  Group Name:	

Countersigned by:

BUSINESS AUTO COVERAGE PART DECLARATIONS

Policy No. 0L 903-1705

Effective Date: 10-8-88

12:01 A.M., Standard Time

ITEM TWO SCHEDULE OF COVERAGES AND COVERED AUTOS <small>This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.</small>			
COVERAGES	COVERED AUTOS <small>(Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)</small>	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	1	\$ 1,000,000.	46,439.
PERSONAL INJURY PROTECTION <small>(or equivalent No-fault Coverage)</small>		SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS \$ Ded	
ADDED PERSONAL INJURY PROTECTION <small>(or equivalent added No-fault Coverage)</small>		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	
PROPERTY PROTECTION INSURANCE <small>(MICHIGAN ONLY)</small>		SEPARATELY STATED IN THE P.I.P. ENDORSEMENT MINUS \$ Ded FOR EACH ACCIDENT	
AUTO MEDICAL PAYMENTS	2	\$ 5,000.	3,719.
UNINSURED MOTORISTS	2	\$ 60,000.	4,538.
UNDERINSURED MOTORISTS <small>(When not included in Uninsured Motorists Coverage)</small>		\$	
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	2	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ 250 Ded. FOR EACH COVERED AUTO BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING. See ITEM FOUR for hired or borrowed "autos."	2,627.
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$25 Ded. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR for hired or borrowed "autos."	
PHYSICAL DAMAGE COLLISION COVERAGE	-	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS \$ - Ded. FOR EACH COVERED AUTO. See ITEM FOUR for hired or borrowed "autos."	
PHYSICAL DAMAGE TOWING AND LABOR <small>(NOT AVAILABLE IN CALIFORNIA)</small>		\$ for each disablement of a private passenger "auto."	
PREMIUM FOR ENDORSEMENTS			118.
ESTIMATED TOTAL PREMIUM			57,441.
ENDORSEMENTS ATTACHED TO THIS POLICY: CA7501 5-87, CA9903 1-87, CA2154 6-88, CA0143 1-87, CA2171 1-88 1L404R1 1-80, CA7605 8-87, CA0029 1-88			
IL 00 21 11 85—Broad Form Nuclear Exclusion (Not applicable in New York)			

**Inclusion of date optional

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Includes copyrighted material of Insurance Services Office, Inc., with its permission. Copyright, Insurance Services Office, Inc., 1983, 1984

Policy Change
Number _____

GU 269
(11-85)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. OL 903-1705	POLICY CHANGES EFFECTIVE 10-8-88	COMPANY California Insurance
NAMED INSURED Samson Auto Salvage		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED Commercial Package Policy		
CHANGES Named Insured Aadlen Brothers Auto Wrecking, Samson Auto Salvage, Brothers Foreign Car Auto Wrecking, Universal Auto Wrecking, American Truck Sales, A Foreign Auto Wrecking, California Car Hikers, Brothers Auto Sales, Sam Aadlen, An Individual		

Authorized Representative Signature



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IS AGREED THAT YOUR AUTOMOBILE INSURANCE IS CHANGED AS INDICATED BY SPECIFIC ENTRY IN ANY OF THE FOLLOWING
ITEMS:

THE AUTOMOBILE(S) DESCRIBED IN ITEM 3 IS (ARE)

☒ ADDED * ☐ DELETED ☐ RECLASSIFIED AS
☐ SUBSTITUTED FOR THE AUTOMOBILE DESCRIBED IN THE POLICY AS
_____, WHICH AUTOMOBILE IS DELETED.

*ONLY FOR COVERAGES AND LIMITS OF LIABILITY INDICATED IN ITEM 5 OF THIS ENDORSEMENT.
EXCEPT FOR TOWING ALL PHYSICAL DAMAGE LOSS IS PAYABLE TO YOU AND THE LOSS PAYEE NAMED BELOW AS INTERESTS MAY
APPEAR AT THE TIME OF THE LOSS.

LOSS PAYEE'S
NAME
AND
ADDRESS
APPLICABLE)

See Automobile Loss Payable
provision on the reverse side.

DESCRIPTION OF THE AUTOMOBILE(S) AND FACTS RESPECTING ITS (THEIR) PURCHASE BY YOU:

UNIT NO.	YEAR	DESCRIPTION MAKE, MODEL, BODY TYPE, SERIAL NO., VEHICLE I.D. NO., (V.I.N.), WEIGHT	CLASS	LOCATION	SYMBOL OR NEW COST	AMOUNT * OF INSURANCE
		AS PER FORM 1L404R1(1/80) ATTACHED				

ACV" means Actual Cash Value

AUTO REGISTERED TO:

ANY ADDITIONAL OR RETURN PREMIUM BECAUSE OF ANY CHANGE MADE IS STATED IN THE SCHEDULE BELOW.

THE FOLLOWING COVERAGE(S) IS (ARE) ADDED, DELETED OR AMENDED TO ITS (THEIR)
LIMIT(S) OF LIABILITY IF SO INDICATED BY AN "X" IN THE APPROPRIATE COLUMN(S).

ADDITIONAL OR RETURN PREMIUMS

EXCLUDED	AMENDED	COVERAGES	LIMIT — THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	NEW ANNUAL PREMIUMS	ADDITIONAL PREMIUMS	RETURN PREMIUMS
X		LIABILITY INSURANCE	\$	12,153.	12,153.	
		PERSONAL INJURY PROTECTION (or equivalent no-fault coverage)	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS \$ OED			
		ADDED PERSONAL INJURY PROTECTION (or equivalent added no-fault coverage)	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT			
		AUTO MEDICAL PAYMENTS INSURANCE	\$ —			
		UNINSURED MOTORISTS INSURANCE	\$ —			
X		PHYSICAL DAMAGE INSURANCE COMPREHENSIVE COVERAGE	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS \$ 250. OED. FOR EACH COVERED AUTO FOR ALL LOSS EXCEPT FIRE OR LIGHTNING.	1287.	1287.	
		PHYSICAL DAMAGE INSURANCE SPECIFIED PERILS COVERAGE	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS \$25 OED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MALICIOUS MISCHIEF OR VANDALISM			
		PHYSICAL DAMAGE INSURANCE COLLISION COVERAGE	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS \$ OED. FOR EACH COVERED AUTO			
X		PHYSICAL DAMAGE INSURANCE TOWING & LABOR (Not available in Calif.)	\$25 FOR EACH DISABLEMENT OF A PRIVATE PASSENGER CAR CIGA	65.	65.	

ACCEPTED BY (YOUR SIGNATURE)

subtotals ▶

\$

PREMIUM DUE

\$ 13,505.

☒ ADDITIONAL
☐ RETURN

(TO BE SIGNED BY YOU WHEN COVERAGE IS ELIMINATED OR REDUCED)

OR ☐ TO BE DETERMINED AT AUDIT

Effective 10/8/87

this endorsement forms a part of Policy No. NN 909-3006

Endorsement No. 9

POLICY PERIOD: Effective 10/8/87

9/8/88 NG

Expiration 10/8/88

INDUSTRIAL INDEMNITY CO.

Issued to AADLEN PROS. AUTO

AUTHORIZED REPRESENTATIVE

WRECKING

Automobile Schedule

ISSUED TO

AADLEN BROS. AUTO WRECKING

PAGE

1 of 3

ATTACHED TO AND FORMING PART OF POLICY NO.

NN 909-3006

EFFECTIVE DATE

10/8/87

POLICY PERIOD

10/8/87-10/8/87-88

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

UNIT NO.	YEAR	DESCRIPTION OF VEHICLE		MAKE	MODEL	BODY TYPE	SERIAL NO.	VEHICLE ID NO. IV IN L WEIGHT	DEDUCTIBLE		LIABILITY	MED. PAY.	UNINS. MOTOR	COMPRE HENSIVE	COLLISION	SPECIFIED PERILS	P.I.P.	ADD'L P.I.P.	TOWING		
		CLASS	LOCATION						SYMBOL OR NEW COST	AMT. OF INSURANCE										COMPRE HENSIVE	COLLISION
41	75	CHEVROLET								250	-	554.	-	33.	-						
42	77	LINCOLN								250	-	554.	-	137.	-						
43	83	OLDSMOBILE SEDAN								250	-	554.	-	137.	-						
44	80	OLDSMOBILE CUTLASS								250	-	554.	-	85.	-						
45	81	BUICK CENTURY								250	-	554.	-	137.	-						
46	79	CHEVROLET CENTURY								250	-	554.	-	85.	-						
47	70	CHEVROLET 2 DOOR								250	-	554.	-	33.	-						
SCHEDULE OF HIRED OR BORROWED COVERED AUTO GOV HAGE AND PHU MILHMS																					
LIABILITY INSURANCE RATING BASIS, COST OF HIRE **																					
STATE		EST. COST OF HIRE FOR EACH STATE				RATE PER EACH \$100 COST OF HIRE															
SCHEDULE FOR NON-OWNERSHIP LIABILITY																					
NAMED INSURED'S BUSINESS				RATING BASIS				NUMBER													
Other than a social service agency				Number of employees																	
Social service agency				Number of employees																	
				Number of volunteers																	
																totals					

* "ACV" means Actual Cash Value.

** "COST OF HIRE" means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Automobile Schedule

ISSUED TO

AADLEN BROS. AUTO WRECKING

PAGE

2 of 3

ATTACHED TO AND FORMING PART OF POLICY NO.

NN 909-3006

EFFECTIVE DATE

10/8/87

POLICY PERIOD

10/8/87-88

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE

UNIT NO. YEAR		DESCRIPTION OF VEHICLE - MAKE, MODEL, BODY TYPE, SERIAL NO., VEHICLE ID NO. (VIN), WEIGHT				DEDUCTIBLE		LIABILITY	MED. PAY.	UNINS. MOTOR. COMPRE.	COLLISION	SPECIFIED PERILS	P.I.P.	ADD'L P.I.P.	TOWING
		CLASS	LOCATION	SYMBOL OR NEW COST	AMT. OF INSURANCE*	COMPRE HENSIVE	COLLI SION								
48	79	GMC TRUCK 21499	T 011			250	-	684.	-	-	19.	-			
49	76	KENWORTH TRACTOR 34499	T 011			250	-	1195.	-	-	80.	-			
50	72	FORD TRACTOR 34499	T 011			250	-	1195.	-	-	60.	-			
51	75	CHEVROLET TOW 21451	T 011			250	-	1009.	-	-	53.	-			
52	81	CHEVROLET TOW 21451	T 011			250	-	1009.	-	-	77.	-			
53	74	GMC TRACTOR 34499	T 011			250	-	1195.	-	-	60.	-			
54	82	OLDSMOBILE 4 DOOR 7398	T 011			250	-	554.	-	-	200.	-			
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS															
LIABILITY INSURANCE - RATING BASIS, COST OF HIRE**															
STATE		EST. COST OF HIRE FOR EACH STATE			RATE PER EACH \$100 COST OF HIRE										
SCHEDULE FOR NON-OWNERSHIP LIABILITY															
NAMED INSURED'S BUSINESS		RATING BASIS			NUMBER										
Other than a social service agency		Number of employees													
Social service agency		Number of employees													
		Number of volunteers													
															totals

* "ACV" means Actual Cash Value.

** "COST OF HIRE" means the total amount you incur for the hire of autos you don't own (not including autos you borrow or rent from your employees or their family members). Cost of hire does not include charges for services performed by non-employees of property or possessions.

Automobile Schedule

ISSUED TO
AADLEN BROS. AUTO WRECKING

PAGE
3 of **3**

ATTACHED TO AND FORMING
PART OF POLICY NO.
NN 909-3006

EFFECTIVE DATE
10/8/87

POLICY PERIOD
10/8/87-88

SCHEDULE OF COVERED AUTOS YOU OWN AS OF THE EFFECTIVE DATE OF THIS INSURANCE										PREMIUM IN DOLLARS										
UNIT NO.	YEAR	DESCRIPTION OF VEHICLE		MAKE	MODEL	BODY TYPE	SERIAL NO.	VEHICLE I.D. NO. (VIN)	WEIGHT	DEDUCTIBLE		LIABILITY	MED. PAY.	UNINS. MOTORIST	COMPREHENSIVE	COLLISION	SPECIFIED PERILS	P.I.P.	ADD'L P.I.P.	TOWING
		CLASS	LOCATION							SYMBOL OR NEW COST	AMT. OF INSURANCE*									
55	67	INTERNATIONAL TRUCK									250	684.	-	-	19.	-				
		21499	T 011																	
56	71	CHEVROLET 2 DOOR									250	554	-	-	33.					
		7398	T 011																	
57	56	UTILITY TRAILER									250	-	-	-	9.					
		69499	T 011																	
58	55	COOK BROS.									250	98.	-	-	15.					
		68499	T 011																	
59	57	COOK BROS.									250	98.	-	-	15.					
		68499	T 011																	
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS																				
LIABILITY INSURANCE - RATING BASIS, COST OF HIRE **																				
STATE		EST. COST OF HIRE FOR EACH STATE				RATE PER EACH \$100 COST OF HIRE														
SCHEDULE FOR NON-OWNERSHIP LIABILITY																				
NAMED INSURED'S BUSINESS				RATING BASIS				NUMBER												
Other than a social service agency				Number of employees				Number of employees												
Social service agency				Number of volunteers				Number of volunteers												
										totals ▲										
										12,143.										
										1,287.										

* "ACV" means Actual Cash Value.
** "COST OF HIRE" means the total amount you must for the hire of autos you don't own (not including autos you borrow to use from your employees or their family members). Cost of hire thus not include charges for services performed by motor carriers or persons.

COMMERCIAL PACKAGE POLICY

Industrial Indemnity
a Crum and Forster organization

DECLARATIONS

Item	Renewal of: OL 903-1705 Date Issued: 2/23/90 LN Policy No. OL 855-7707		
1.	NAMED INSURED AND ADDRESS SAMSON AUTO SALVAGE (AS PER END'T. ATTACHED) BERNARD LEHRER 11590 TUXFORD STREET SUN VALLEY, CA. 91352		RETURN TO COMPANY IF CANCELLED
2.	POLICY PERIOD: From: 10/8/89 To: 10/8/90 12:01 A.M. Standard Time at Your Mailing Address Shown Above.		
3.	THIS INSURANCE POLICY IS ISSUED BY: <input type="checkbox"/> Industrial Indemnity Company <input type="checkbox"/> Industrial Indemnity Company of Alaska <input type="checkbox"/> Industrial Indemnity Company of The Northwest <input type="checkbox"/> Industrial Insurance Company of Hawaii, Ltd. <input type="checkbox"/> Industrial Indemnity Company of Idaho <input checked="" type="checkbox"/> California Insurance Company SAN FRANCISCO, CALIFORNIA	Producer Name and Address PRODUCER NO. 44603 ALEXANDER & ALEXANDER OF CALIFORNIA, INC. P.O. BOX 3803 SAN FRANCISCO, CA. 94119	
4.	FORM OF BUSINESS: <input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/>		
5.	BUSINESS DESCRIPTION: AUTO DISMANTLER		
6.	In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage part(s) for which a premium is indicated. This premium may be subject to adjustment.		
	Coverage Part(s)	Coverage Part Declarations Form (Number and Edition Date)	Advance Premium
	Commercial Property Coverage Part	CP7000 (10/87)	273.
	Commercial Inland Marine Coverage Part	NOT COVERED	-
	Commercial General Liability Coverage Part	CG7000 (5/87)	19,020.
	Commercial Auto Coverage Part	CA7000 (5/87)	90,480.
	Commercial Crime Coverage Part	NOT COVERED	-
	Other (Specify) SUPPLEMENTAL INLAND MARINE	CM7006 (8/87)	1,160.
7.	FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date) IL7500(11/88), IL0003(11/85), 1X572R1(11/88), IL0270(3/88), IL7601(11/88)		
8.	Total Advance Premium CIGA \$ 112,042. (Includes \$1,109. Tax and/or Surcharge)		
	Premium is Payable: <input type="checkbox"/> Direct Bill <input checked="" type="checkbox"/> At Inception <input type="checkbox"/> See Premium Payment Schedule	Client No.	
	Audit Period: Annual (Unless otherwise Stated): <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/>	Group No. Group Name:	

Countersigned by:

Authorized Representative

Alexander & Alexander of California, Inc.
Suite 1700
Three Embarcadero Center
P.O. Box 3803
San Francisco, California 94119
Telephone (415) 434-1500
TWX (910) 372-6039



February 5, 1988

Mr. Bernie Lehrer
Aadelen Brothers Auto
8103 South Alameda Street
Los Angeles, Ca. 90001

SCADA Insurance Program

Dear Mr. Lehrer:

Enclosed please find our Insurance Binder N00454 which extends our previous Binder N00390 for the term February 8, 1988 to March 8, 1988.

Your new policy written with Industrial Indemnity is in the final stages of processing. Once it is received and checked by our office we will forward it to you. We were able to obtain policy numbers and the annual premium as follows:

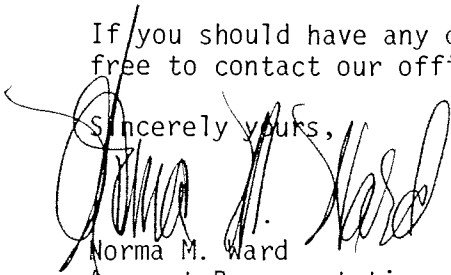
<u>COVERAGE</u>	<u>POLICY NUMBER</u>	<u>PREMIUM</u>
Property	NP909-3004	\$260.00
General Liability	NM909-3005	\$17,454.00 38.40 CIGNA
Automobile	NN909-3006	\$47,561.00 228.29 CIGNA
	TOTAL PREMIUM	<u>\$65,541.69</u>

The annual premium invoice will follow shortly.

We were advised by Industrial Indemnity that Abel Vanegas will be excluded from the policy due to his motor vehicle report. An exclusion endorsement for your signature will follow. We ask that you confirm Anthony E. Mada drivers license number. We were unable to receive a clear report with the number provided.

If you should have any questions regarding the above, please feel free to contact our office.

Sincerely yours,


Norma M. Ward
Account Representative

/nmw

ACORD INSURANCE BINDER

ISSUE DATE (MM/DD/YY)
2/5/88

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER ALEXANDER & ALEXANDER OF CALIFORNIA, INC. P.O. Box 3803 San Francisco, California 94119 Telephone (415) 434-1500		COMPANY Industrial Indemnity		BINDER NO. N 00454	
		EFFECTIVE DATE: 2/8/88 TIME: 12:01 X AM		EXPIRATION DATE: 3/8/88 TIME: X 12:01 AM NOON	
CODE		SUB-CODE		THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.:	
INSURED Adelen Brothers Auto Wrecking & Samson Auto Salvage, Brothers Foreign Car Auto Wrecking, Universal Auto Wrecking, American Truck Sales, Foreign Auto Wrecking, California Car Hikers, Brothers Auto Sales, Sam Adlen an Individual 8103 S. Alameda St., Los Angeles, Ca. 90001		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION) Auto Dismantlers Loc. #1 11590 Tuxford St., Sun Valley, Ca. 91352 Loc. #2 8103 S. Alameda St., Los Angeles, Ca. 90001			

COVERAGES		ALL LIABILITY LIMITS IN THOUSANDS		
TYPE OF INSURANCE	COVERAGES/FORMS	AMOUNT	DEDUCTIBLE	COINSURANCE
PROPERTY <input checked="" type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPECIAL CAUSES OF LOSS	Personal Property with replacement cost	\$1,000	\$250	90%
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACTORS PROTECTIVE	RETRO DATE FOR CLAIMS MADE:	GENERAL AGGREGATE \$1,000 PRODUCTS-COMP/QPS AGGREGATE \$1,000 PERSONAL & ADVERTISING INJURY \$1,000 EACH OCCURRENCE \$1,000 FIRE DAMAGE (ANY ONE FIRE) \$ 50 MEDICAL EXPENSE (ANY ONE PERSON) \$ 5		
AUTOMOBILE <input checked="" type="checkbox"/> LIABILITY <input checked="" type="checkbox"/> NON/OWNED <input checked="" type="checkbox"/> HIRED <input checked="" type="checkbox"/> GARAGE <input checked="" type="checkbox"/> GKLL: \$15,000	<input checked="" type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	CSL \$1,000,000 BI PERS/ACCID \$ PD \$ MED. PAY \$ 5,000 PIP \$ UM \$ 60,000		
AUTO PHYSICAL DAMAGE <input type="checkbox"/> COLLISION DED: <input checked="" type="checkbox"/> OTC DED: \$250	<input type="checkbox"/> ALL VEHICLES <input checked="" type="checkbox"/> SCHEDULED VEHICLES	<input checked="" type="checkbox"/> ACV STATED AMOUNT \$ OTHER		
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE AGGREGATE SELF-INSURED RETENTION		
WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY		STATUTORY \$ (EACH ACCIDENT) \$ (DISEASE-POLICY LIMIT) \$ (DISEASE-EACH EMPLOYEE)		

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES

Scheduled Property Floater - \$20,000
 Auto Schedule to be verified
 Premium to be determined

NAME & ADDRESS

MORTGAGEE LOSS PAYEE		ADDITIONAL INSURED	
LOAN		AUTHORIZED REPRESENTATIVE Alexander & Alexander	

INSURANCE BINDER:

10/05/90

PRODUCER

ALEXANDER & ALEXANDER OF CA
Two Embarcadero Center
P.O. Box 3803
San Francisco, CA
94119

COMPANY

CALIFORNIA INSURANCE COMPANY

BINDER NO. 10416
SCADA-07

PHONE 415-296-1300
CODE

SUB-CODE

EFFECTIVE		EXPIRATION	
DATE	TIME	DATE	TIME
10/08/90	12:01 [X] AM [] PM	10/13/91	[X] 12:01 AM [] NOON

[] THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY NO.: OL 855- 7707
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (INCLUDING LOCATION)
AUTO DISMANTLERS

INSURED

SAMSON AUTO SALVAGE ET AL
attn: BERNARD LEHRER
11590 TUXFORD STREET
SUN VALLEY, CA
91352

> COVERAGES <=====

TYPE OF INSURANCE
Property

CAUSES OF LOSS
[] BASIC [] BROAD [X] SPECIAL
[]
[]

COVERAGES/FORMS

PERSONAL PROP

ALL LIABILITY LIMITS IN THOUSANDS ==
AMOUNT DED CO-INS

1000 250 90

General Liability

[X] COMMERCIAL GENERAL LIABILITY
[] [] CLAIMS MADE [X] OCC.
[] OWNER'S & CONTRACTORS
PROTECTIVE
[]
[]

RETRO DATE FOR CLAIMS MADE:

GENERAL AGGREGATE \$ 1000
PRODUCTS-COMP/OPS AGG \$ 1000
PERSONAL & ADVTG INJURY \$ 1000
EACH OCCURRENCE \$ 1000
FIRE DAMAGE \$ 50
(ANY ONE FIRE)
MED EXP (ANY ONE PERS) \$ 5

Automobile

[X] LIABILITY
[X] NON/OWNED
[X] HIRED
[] GARAGE
[]

[X] ALL VEHICLES [] SCHEDULED VEHICLES

CSL \$ 1,000,00
BI PERS/ACCID \$
PD \$
MED. PAY \$
PIP \$
UM \$

Auto Physical Damage

[X] COLLISION DED: 500
[X] OTC DED: 250

[] ALL VEHICLES [] SCHEDULED VEHICLES

[] ACV
[] STATED AMOUNT \$
[] OTHER

Excess Liability

[] UMBRELLA FORM
[] OTHER THAN UMBRELLA FORM

RETRO DATE FOR CLAIMS MADE:

EACH OCCURRENCE AGGREGATE SELF-INSURED RETENTION

Worker's Compensation
and
Employers' Liability

STATUTORY
\$ (EACH ACCIDENT)
\$ (DISEASE-POLICY LIMIT)
\$ (DISEASE-EACH EMPLOYEE)

SPECIAL CONDITIONS/RESTRICTIONS/OTHER COVERAGES

Inland Marine Insurance \$ 116,000

> NAME & ADDRESS <=====

[] MORTGAGEE [] ADDITIONAL INSURED
[] LOSS PAYEE []
LOAN #

[] MORTGAGEE [] ADDITIONAL INSURED
[] LOSS PAYEE []
LOAN #

This binder is a temporary insurance contract, subject to the conditions shown.

CONDITIONS: This Company binds the kind(s) of insurance stipulated on this form. This insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

ACORD 75-S (2/88)

AUTHORIZED REPRESENTATIVE

J. J. Hauss

INSURED

AADLEN BROS. AUTO WRECKING, ETAL
11590 TUXFORD STREET
SUN VALLEY, CA 91352

TR	CU	DIV	PRODUCER NO.
01	1	1	24979
POLICY TERM			INVOICE DATE
10/8/87 TO 10/8/88			2/17/88
PERIOD OF INVOICE			
10/8/87 TO 10/8/88			

PRODUCER

ALEXANDER & ALEXANDER OF CALIFORNIA, INC.
P.O. BOX 3803
SAN FRANCISCO, CA 94119

CIGA	CIGA \$38	CIGA \$228
POLICY NUMBER NP 909-3004	POLICY NUMBER NM 909-3005	POLICY NUMBER NN 909-3006
RENEWAL OF NEW	RENEWAL OF NEW	RENEWAL OF NEW
GROSS PREMIUM \$260	COMM RATE 15	GROSS PREMIUM \$17,454
		COMM RATE 15
		GROSS PREMIUM \$47,561
		COMM RATE 15

IF321A (06/87)

☐ California Insurance Company
☐

SAN FRANCISCO, CA

4. FORM OF BUSINESS: ☒ Individual ☐ Joint Venture ☐ Partnership ☒ Corporation ☐

5. BUSINESS DESCRIPTION: AUTO DISMANTLING

6. In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.
This policy consists of the following coverage part(s) for which a premium is indicated.
This premium may be subject to adjustment.

Coverage Part(s)	Policy Number	Coverage Part Declarations Form (Number and Edition Date)	Advance Premium
Commercial Property Coverage Part	NP 909-3004	CP 7000 (5/87)	100
Commercial Inland Marine Coverage Part			
Commercial Crime Coverage Part			
Other (Specify) UNCONTROLLED IM	NP 909-3004	CM 7006 (8/87)	160
Commercial General Liability Coverage Part	NM 909-3005	CG 7010 (6/87)	17,454
Commercial Auto Coverage Part	NN 909-3006	CA 7000 (5/87)	47,561

7. FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date)
IX 572(6/87), IL 7500(5/87), IL 0270(3/87), IL 0003(11/85), IL 0021(11/85), IL 1201(11/85)

8. Total Advance Premium \$17,492 (Includes \$ 38 CIGA Tax and/or Surcharge)

Premium is Payable: ☐ Direct Bill
☒ At Inception ☐ See Premium Payment Schedule

Audit Period: Annual (Unless otherwise Stated):
☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐

Client No. _____
Group No. _____ Group Name _____

RESEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

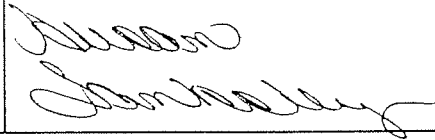
Policy Change
Number 4

005	POLICY CHANGES EFFECTIVE 3/1/88	COMPANY INDUSTRIAL INDEMNITY
-----	---------------------------------------	-------------------------------------

ED

BROS. AUTO WRECKIKNG

AUTHORIZED REPRESENTATIVE



PARTS AFFECTED

COMMERCIAL GENERAL LIABILITY

CHANGES

IT IS AGREED THAT IL 7001 (5/87) PREMIUM PAYMENT SCHEDULE
IS HEREBY ADDED AS PER ATTACHED.

Authorized Representative Signature



COMMERCIAL POLICY CHANGE REQUEST

DATE
4/12/88

NAME AND ADDRESS OF AGENCY

Alexander & Alexander
P. O. Box 3803
San Francisco, CA 94119

COMPANY

Industrial Indemnity Company

POLICY NUMBER
NP 909-3004POLICY TYPE
PropertyINCEPTION DATE OF POLICY
10/8/87EXPIRATION DATE
10/8/88

CODE:

SUB CODE:

NAME AND MAILING ADDRESS OF INSURED

Aadlen Brothers Auto Wrecking
Samson Auto Salvage ET AL
8103 South Alameda Street
Los Angeles, CA 90001

EFFECTIVE DATE OF CHANGE
10/8/87

TIME

This is an acknowledgement of your request. Upon approval, the company's records will be adjusted accordingly and if a premium adjustment is required, it will be done at premium audit or by endorsement.

TYPE OF CHANGE: ADD, CHANGE OR DELETE

VEHICLE DESCRIPTION/LIMITS

TYPE OF CHANGE	VEH #	YEAR	MAKE, MODEL, BODY TYPE				VIN/SERIAL NUMBER				
GARAGE LOCATION-CITY, STATE, ZIP CODE			SYM./AGE	COST NEW	USE	RADIUS	GVW/GCW	CLASS	SIC	TERR.	FACTOR
				\$							
LIABILITY	PIP	ADD'T PIP	MEDICAL PAYMENT	UNINSURED MOTORIST	COMPREH.		SPECIFIED PERILS		COLLISION	TOWING	
					DEDUCT		<input type="checkbox"/> ACV <input type="checkbox"/> STATED AMT	<input type="checkbox"/> F <input type="checkbox"/> F&T	<input type="checkbox"/> F.T.W. <input type="checkbox"/> L.S.P.	DEDUCT	DEDUCT
\$	\$	\$	\$	\$	\$	\$	\$			\$	\$

TYPE OF CHANGE	VEH #	YEAR	MAKE, MODEL, BODY TYPE				VIN/SERIAL NUMBER				
GARAGE LOCATION-CITY, STATE, ZIP CODE			SYM./AGE	COST NEW	USE	RADIUS	GVW/GCW	CLASS	SIC	TERR.	FACTOR
				\$							
LIABILITY	PIP	ADD'T PIP	MEDICAL PAYMENT	UNINSURED MOTORIST	COMPREH.		SPECIFIED PERILS		COLLISION	TOWING	
					DEDUCT		<input type="checkbox"/> ACV <input type="checkbox"/> STATED AMT	<input type="checkbox"/> F <input type="checkbox"/> F&T	<input type="checkbox"/> F.T.W. <input type="checkbox"/> L.S.P.	DEDUCT	DEDUCT
\$	\$	\$	\$	\$	\$	\$	\$			\$	\$

PROPERTY DESCRIPTION

TYPE OF CHANGE	LOC #	LOCATION ADDRESS									
DESCRIPTION OF OPERATIONS/OCCUPANCY											
TYPE OF CHANGE	#	SUBJECT OF INSURANCE	AMOUNT	DEDUCT.	COINS.	ACV/RC	PERILS, FORMS AND CONDITIONS TO APPLY				
			\$								
			\$								
			\$								
CONSTRUCTION TYPE			PRGT. CLASS	# STORIES	# BASEMENTS	YEAR BUILT	TOTAL AREA	OTHER OCCUPANCIES			

ADDITIONAL CHANGES

☒ NAMED INSURED ☐ MAILING ADDRESS ☐ DEDUCTIBLE ☐ DRIVER INFORMATION ☐ ADDITIONAL INTEREST

REMARKS

NAMED INSURED - AMEND AS FOLLOWS: Delete: Foreign Auto Wrecking
Delete: Sam Aadlen as individual
Add: A Foreign Auto Wrecking
Add: Sam Adlen, an individual

SCHEDULED EQUIPMENT - AMEND AS FOLLOWS: Delete: 1979 4 Ton Forklift \$10,000
Add: 1979 4 Ton Forklift \$10,000

☐ ATTACHMENT

Susan O. Tanksley

SIGNATURE OF AUTHORIZED REPRESENTATIVE



COMMERCIAL POLICY CHANGE REQUEST

DATE
4/12/88

NAME AND ADDRESS OF AGENCY

Alexander & Alexander
P. O. Box 3803
San Francisco, CA 94119

CODE:

SUB CODE:

COMPANY

Industrial Indemnity Company

POLICY NUMBER

NM 909-3005

POLICY TYPE

General Liability Policy

INCEPTION DATE OF POLICY

10/8/87

EXPIRATION DATE

10/8/88

NAME AND MAILING ADDRESS OF INSURED

Aadlen Brothers Auto Wrecking
Samson Auto Salvage ETAL
8103 South Alameda Street
Los Angeles, CA 90001

EFFECTIVE DATE OF CHANGE

10/8/87

TIME

12:01 AM

This is an acknowledgement of your request. Upon approval, the company's records will be adjusted accordingly and if a premium adjustment is required, it will be done at premium audit or by endorsement.

TYPE OF CHANGE: ADD, CHANGE OR DELETE

VEHICLE DESCRIPTION / LIMITS

TYPE OF CHANGE	VEH. #	YEAR	MAKE, MODEL, BODY TYPE						VIN/SERIAL NUMBER			
GARAGE LOCATION-CITY, STATE, ZIP CODE			SYM./AGE	COST NEW	USE	RADIUS	GVW/GCW	CLASS	SIC	TERR.	FACTOR	
				\$								
LIABILITY	PIP	ADD'T PIP	MEDICAL PAYMENT	UNINSURED MOTORIST	COMPREH.	<input type="checkbox"/> ACV <input type="checkbox"/> DEDUCT	SPECIFIED PERILS		COLLISION	TOWING		
\$	\$	\$	\$	\$	\$	\$	<input type="checkbox"/> F <input type="checkbox"/> F&T	<input type="checkbox"/> F.T.W. <input type="checkbox"/> L.S.P.	\$	\$		

TYPE OF CHANGE	VEH. #	YEAR	MAKE, MODEL, BODY TYPE						VIN/SERIAL NUMBER			
GARAGE LOCATION-CITY, STATE, ZIP CODE			SYM./AGE	COST NEW	USE	RADIUS	GVW/GCW	CLASS	SIC	TERR.	FACTOR	
				\$								
LIABILITY	PIP	ADD'T PIP	MEDICAL PAYMENT	UNINSURED MOTORIST	COMPREH.	<input type="checkbox"/> ACV <input type="checkbox"/> DEDUCT	SPECIFIED PERILS		COLLISION	TOWING		
\$	\$	\$	\$	\$	\$	\$	<input type="checkbox"/> F <input type="checkbox"/> F&T	<input type="checkbox"/> F.T.W. <input type="checkbox"/> L.S.P.	\$	\$		

PROPERTY DESCRIPTION

TYPE OF CHANGE	LOC. #	LOCATION ADDRESS									
DESCRIPTION OF OPERATIONS/OCCUPANCY											
TYPE OF CHANGE	#	SUBJECT OF INSURANCE	AMOUNT	DEDUCT.	COINS.	ACV/RC	PERILS, FORMS AND CONDITIONS TO APPLY				
			\$								
			\$								
			\$								
CONSTRUCTION TYPE			PROT. CLASS	# STORIES	# BASEMENTS	YEAR BUILT	TOTAL AREA	OTHER OCCUPANCIES			

ADDITIONAL CHANGES

☒ NAMED INSURED ☐ MAILING ADDRESS ☐ DEDUCTIBLE ☐ DRIVER INFORMATION ☐ ADDITIONAL INTEREST

REMARKS

NAMED INSURED CORRECTIONS: Delete: Sam Aadlen Add: Sam Adlen, an individual

AMEND LOCATION DESCRIPTIONS: Location #1 11590 Tuxford, 8520 Telfair, 11409 Penrose
Sun Valley, CA 91352

Location #2 8103-8119 South Alameda Street
Los Angeles, CA 90001

☐ ATTACHMENT

Susan O. Tanksley

SIGNATURE OF AUTHORIZED REPRESENTATIVE

COVERAGE

Industrial Indemnity
a Crum and Forster organization

DECLARATIONS

Item	Renewal of: NEW	Date Issued: 12-29-87	Policy No. (See Below)
1.	NAMED INSURED AND ADDRESS AADLEN BROTHERS AUTO WRECKING, ETAL (AS PER ENDORSEMENT) 11590 TUXFORD STREET SUN VALLEY, CALIFORNIA 91352		
RETURN TO COMPANY IF CANCELLED			
2.	POLICY PERIOD: From: 10-8-87 To: 10-8-88 12:01 A.M. Standard Time at Your Mailing Address Shown Above.		
3.	THIS INSURANCE POLICY IS ISSUED BY: <input checked="" type="checkbox"/> Industrial Indemnity Company <input type="checkbox"/> Industrial Indemnity Company of Alaska <input type="checkbox"/> Industrial Indemnity Company of The Northwest <input type="checkbox"/> Industrial Insurance Company of Hawaii, Ltd. <input type="checkbox"/> Industrial Indemnity Company of Idaho <input type="checkbox"/> California Insurance Company <input type="checkbox"/> SAN FRANCISCO, CALIFORNIA	Producer Name and Address ALEXANDER & ALEXANDER P.O. BOX 3803 SAN FRANCISCO, CALIFORNIA 94119	
4.	FORM OF BUSINESS: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/>		
5.	BUSINESS DESCRIPTION: AUTO DISMANTLING		
6.	In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage part(s) for which a premium is indicated. This premium may be subject to adjustment.		
	Coverage Part(s)	Policy Number	Coverage Part Declarations Form (Number and Edition Date)
	Commerical Property Coverage Part	NP 909-3004	CP 7000 (5-87)
	Commercial Inland Marine Coverage Part		
	Commercial Crime Coverage Part		
	Other (Specify) UNCONTROLLED INLAND	NP 909-3004	CM 7006 (8-87)
	MARINE		
	Commercial General Liability Coverage Part	NM 909-3005	CG 7010 (6-87)
	Commercial Auto Coverage Part	NN 909-3006	CA 7000 (5-87)
7.	FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date) 1X 572 (6-86), 1L 7500 (5-87), 1L 0270 (3-87), 1L 0003 (11-85)		
8.	Total Advance Premium CIGA \$ 260 (Includes \$ WAIVED Tax and/or Surcharge)		
	Premium is Payable: <input type="checkbox"/> Direct Bill <input checked="" type="checkbox"/> At Inception <input type="checkbox"/> See Premium Payment Schedule		Client No.
	Audit Period: Annual (Unless otherwise Stated): <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/>		Group No. Group Name:

12-29-87 jf

Countersigned by:

Authorized Representative

**COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS**

Policy No. NP 909-3004

Effective Date: 10-8-87 **
12:01 A.M., Standard Time

AADLEN BROTHERS AUTO WRECKING

DESCRIPTION OF PREMISES					
Prem. No. Bldg. No.	Location, Construction & Occupancy				
1	11590 TUXFORD STREET, SUN VALLEY, CA. AUTO SALVAGE				
COVERAGES PROVIDED—Insurance at the Described Premises applies only for coverages for which a limit of insurance is shown.					
PREM. BLDG. NO.	COVERAGE	CO. INSURANCE	LIMIT OF INSURANCE	DEDUCTIBLE (If other than \$250)	COVERED CAUSE OF LOSS (Form and Edition Date)
1	PERSONAL PROP	90	1,000	250	CP 1020 (11-85)

COVERAGE OPTIONS—The following coverage options are provided when designated by a ☒ and an entry under the Premises listed below.

<p>COVERAGE:</p> <p>BUILDING</p> <p><input type="checkbox"/> Replacement cost (x)</p> <p><input type="checkbox"/> Inflation Guard</p> <p><input type="checkbox"/> Agreed Value (expiration date)</p> <p><input type="checkbox"/> _____</p> <p>PERSONAL PROPERTY</p> <p><input checked="" type="checkbox"/> Replacement cost (x)</p> <p><input type="checkbox"/> Replacement cost (incl. stock) (x)</p> <p><input type="checkbox"/> Inflation Guard</p> <p><input type="checkbox"/> Agreed Value (expiration date)</p> <p><input type="checkbox"/> _____</p> <p>BUSINESS INCOME</p> <p><input type="checkbox"/> Monthly Limit of Indemnity (Fraction)</p> <p><input type="checkbox"/> Maximum Period of Indemnity (x)</p> <p><input type="checkbox"/> Agreed Value (expiration date)</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> OTHER (Describe)</p>	<p>Prem. <u>1</u> Bldg. ____</p> <p><input type="checkbox"/> _____ %</p> <p><input checked="" type="checkbox"/> _____ %</p> <p><input type="checkbox"/> _____ %</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p>	<p>Prem. ____ Bldg. ____</p> <p><input type="checkbox"/> _____ %</p> <p><input type="checkbox"/> _____ %</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p>	<p>Prem. ____ Bldg. ____</p> <p><input type="checkbox"/> _____ %</p> <p><input type="checkbox"/> _____ %</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p>
--	---	--	--

MORTGAGE HOLDER(S)

Prem. No. Bldg. No.	Mortgage Holder Name and Mailing Address

FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:			
<u>Applicable to All Coverages</u>		<u>Applicable to Specific Premises/Coverages</u>	
CP 7500 (5-87)		Prem./Bldg. No.	Coverages Form(s)
CP 0186 (4-86)		1	PERSONAL PROP. CP 0010(11-85)
CP 0299 (11-85)			CP 1910(11-85)

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

POLICY NUMBER: NP 909-3004

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 19 10 11 85

YOUR BUSINESS PERSONAL PROPERTY—SEPARATION OF COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Type of Property	Limit of Insurance	Coinsurance
1		(1)	1,000	90

NAMED INSURED: AADLEN BROTHERS AUTO WRECKING

POLICY NUMBER: NP 909-3004

- A. The above Limits of Insurance apply to the types of property included under YOUR BUSINESS PERSONAL PROPERTY.
- B. At any location shown in the Schedule, any type of Your Business Personal Property for which no Limit of Insurance is shown is Property Not Covered.



**SUPPLEMENTAL
COMMERCIAL INLAND MARINE COVERAGE PART
DECLARATIONS**

Policy No. NP 909-3004

Effective Date: 10-8-87 **
12:01 A.M., Standard Time

AADLEN BROTHERS AUTO WRECKING

BUSINESS DESCRIPTION*
AUTO DISMANTLING
PREMIUM
Premium for this Coverage Part \$ 160
FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy)
Forms and Endorsements Applying to this Coverage Part and made part of this policy at time of issue: CM 7502 (8-87)

*Information omitted if shown elsewhere in the policy

**Inclusion of date optional.

CONTRACTOR'S EQUIPMENT FLOATER 1P 073 R1 (11-78)

1P 077 R3 (2-82)

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

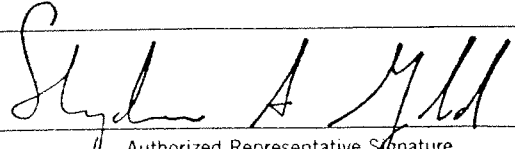
Policy Change
Number 2

GU 269
(11-85)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 12 01 11 85
POLICY CHANGES

POLICY NO. NP 909-3004	POLICY CHANGES EFFECTIVE 10-8-87	COMPANY INDUSTRIAL INDEMNITY
NAMED INSURED AADLEN BROTHERS AUTO WRECKING		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED COMMERCIAL PROPERTY		
CHANGES <u>NAMED INSURED</u> AADLEN BROTHERS AUTO WRECKING & SAMSON AUTO SALVAGE, BROTHERS FOREIGN CAR AUTO WRECKING, UNIVERSAL AUTO WRECKING, AMERICAN TRUCK SALES, FOREIGN AUTO WRECKING, CALIFORNIA CAR HIKERS, BROTHERS AUTO SALES, SAM AADLEN AS INDIVIDUAL.		


Authorized Representative Signature



Contractor's Equipment All Risk Form

1. PROPERTY INSURED:

This policy covers:

- a. Contractor's equipment which is described on the schedule attached to this policy, the property of the Insured and the property of others for which the Insured may be liable, for not exceeding the amount(s) specified with respect to each scheduled item and each item scheduled is to be deemed separately insured;
- b. Property of the class insured hereunder which is purchased by the Insured during the term of this policy for an amount not to exceed \$ 5,000 in the aggregate. In consideration of this extension the Insured agrees to report such additions to the Company within thirty (30) days of delivery and to pay premium thereon at pro rata of the policy rate. This policy shall cease to cover such additions if they are not reported within 30 days.

It is warranted by the Insured that the property insured hereunder is in sound condition at the time of attachment of this policy.

2. PROPERTY EXCLUDED:

This policy does not cover:

- a. Automobiles, trucks or trailers, or other vehicles licensed or designed for highway use, aircraft or watercraft;
- b. Property while located underground or in caissons or under water;
- c. Property which has become a permanent part of any structure;
- d. Property while waterborne except while being transported on a regular ferry or while airborne;
- e. Property leased, rented or loaned to others;
- f. Temporary buildings, supplies, materials to be used in construction, records, documents, plans or specifications;
- g. Crane or derrick boom(s) and jib(s) in excess of 25 feet in length while being operated unless the loss or damage is caused by fire, lightning, hail, windstorm, explosion, aircraft, other vehicles, landslide or overturning of a unit of which it is a part;
- h. Tires or tubes unless the loss or damage is caused by fire, windstorm or theft or is coincidental with other loss or damage insured by this policy.

3. LIMIT OF LIABILITY:

It is agreed that the Company's limit of liability, including all related costs and expenses, shall not exceed \$ 16,000 in respect to any loss, disaster or casualty.

4. DEDUCTIBLE:

Deductible clause b applies.

- a. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim an amount equal to _____% of the value of the item(s) involved in the loss shall be deducted. If two or more items are involved in a single occurrence, the deductible amount shall be determined separately for each item. In no event shall the amount deducted from a loss hereunder be less than \$ _____ nor more than \$ _____ in any one occurrence.
- b. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the sum of \$ 250 shall be deducted. If two or more items are involved in a single occurrence, the deductible amount shall apply to each item. In no event shall the amount deducted from a loss hereunder be more than \$ 250 in any one occurrence.

Except for recovery through subrogation proceedings, any salvage or other recovery, after expenses incurred in salvage or recovery are deducted, shall accrue entirely to the benefit of the Company until the sum paid by the Company has been recovered.

Any recovery as a result of subrogation proceedings, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the Insured in the proportion that the amount of the deductible bears to the amount of the entire loss.

5. COINSURANCE:

This Company shall be liable in the event of loss for no greater proportion thereof than the amount insured hereunder bears to 100 % of the actual value of the property scheduled herein at the time when such loss or damage shall happen and in no event for an amount in excess of the amount insured hereunder in respect to each item as set forth either in case of partial or total loss or salvage or any other costs and expense, or all combined. If this policy covers two or more items, this condition shall apply to each item separately.

6. PERILS INSURED:

This policy insures against all risks of direct physical loss of or damage to the property insured from any external cause except as hereinafter provided.

SCHEDULE OF INSURED PROPERTY

ITEM NO.	DESCRIPTION OF PROPERTY	AMOUNT OF INSURANCE
1.	1979 4 TOM FORKLIFT	10,000
2.	1972 CLARK FORKLIFT	2,500
3.	1972 AL JOHN FORKLIFT	3,500

NAMED INSURED: AADLEN BROTHERS AUTO WRECKING

POLICY NUMBER: NP 909-3004

EFFECTIVE DATE: 10-8-87

CIGA SURCHARGE

(California Insureds Only)

The premium for this policy includes a surcharge to pay for the claims of California insureds against insolvent insurance companies which were doing business in the state. Under California law, solvent insurance companies are assessed for these claims and are required to pass on the cost to the public by surcharging policies. This surcharge is identified as "CIGA Surcharge" and is shown as a separate item on your policy or bill.

If you have any questions or require additional information about the surcharge, please contact your agent or broker.



1X5~2 (6/86)

NAMED INSURED: AADLEN BROTHERS AUTO WRECKING

POLICY NUMBER: NP 909-3004

EFFECTIVE DATE: 10-8-87

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. NON-BINDING ARBITRATION

1. If we and an insured do not agree concerning whether coverage is provided under any Coverage Part for a claim made by or against an insured, then either party may make a written demand for arbitration.

When such a demand is made, arbitration shall be a condition precedent to the filing of any civil action relating to or arising out of such disagreements.

2. We and such insured may agree to use one arbitrator. If we and such insured fail to agree upon

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property; or
3. Your interest in the Covered Property.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

If you violate a condition of this Coverage Part, we will not pay for loss or damage at the involved location. But your coverage will continue for other locations at which the violation does not apply.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

E. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

F. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America;
 - b. Puerto Rico; and
 - c. Canada.

H. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

CP 10 20 11 85

CAUSES OF LOSS—BROAD FORM

A. COVERED CAUSES OF LOSS

When Broad is shown in the Declarations, Covered Causes of Loss means the following:

1. **Fire.**
2. **Lightning.**
3. **Explosion**, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - a. Rupture, bursting or operation of pressure relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

4. **Windstorm or Hail**, but not including:

- a. Frost or cold weather; or
- b. Ice (other than hail), snow or sleet, whether driven by wind or not.

We will not pay for loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

5. **Smoke** causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

6. **Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or operate.

7. **Riot or Civil Commotion**, including:

- a. Acts of striking employees while occupying the described premises; and
- b. Looting occurring at the time and place of a riot or civil commotion.

8. **Vandalism**, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage:

- a. To glass (other than glass building blocks) that is part of a building, structure, or an outside sign; but we will pay for loss or damage to other property caused by or resulting from breakage of glass by vandals.
- b. Caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

9. **Sprinkler Leakage**, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (1) Results in sprinkler leakage; or
 - (2) Is directly caused by freezing.
- b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

Automatic Sprinkler System means:

- (a) Any automatic fire protective or extinguishing system, including connected:
 - (i) Sprinklers and discharge nozzles;
 - (ii) Ducts, pipes, valves and fittings;
 - (iii) Tanks, their component parts and supports; and
 - (iv) Pumps and private fire protection mains.
- (b) When supplied from an automatic fire protective system:
 - (i) Non-automatic fire protective systems; and
 - (ii) Hydrants, standpipes and outlets.

10. **Sinkhole Collapse**, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. This cause of loss does not include the cost of filling sinkholes.

11. **Volcanic Action**, meaning direct loss or damage resulting from the eruption of a volcano when the



SUPPLEMENTAL COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply only to those coverages declared on the Supplemental Commercial Inland Marine Declarations, Form CM 70 06 08 87, and apply in addition to the Common Policy Conditions and the terms and conditions contained in the coverage forms shown on the Supplemental Commercial Inland Marine Declarations.

1. **Misrepresentation and Fraud.** The coverage forms to which these conditions apply shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.
2. **Notice of Loss.** The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under the coverage forms to which these conditions apply and shall also file with the Company or its agent within sixty (60) days from date the company requests it, a detailed sworn proof of loss.
3. **Examination Under Oath.** The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **VALUATION.** THE COMPANY SHALL NOT BE LIABLE BEYOND THE ACTUAL CASH VALUE OF THE PROPERTY AT THE TIME ANY LOSS OR DAMAGE OCCURS AND THE LOSS OR DAMAGE SHALL BE ASCERTAINED OR ESTIMATED ACCORDING TO SUCH ACTUAL CASH VALUE WITH PROPER DEDUCTION FOR DEPRECIATION, HOWEVER CAUSED, AND SHALL IN NO EVENT EXCEED WHAT IT WOULD THEN COST TO REPAIR OR REPLACE THE SAME WITH MATERIAL OF LIKE KIND AND QUALITY.
5. **Settlement of Loss.** All adjusted claims shall be paid or made good to the Insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.
6. **No Benefit to Bailee.** This insurance shall in nowise inure directly or indirectly to the benefit of any carrier or other bailee.
7. **Subrogation or Loan.** If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.
8. **Loss Clause.** Any loss hereunder shall not reduce the amount of this insurance, except in the event of payment of claim for total loss of an item specifically scheduled hereon. If claim is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the Insured or applied to the premium due on item(s) replacing those on which the claim was paid.
9. **PAIR, SET OR PARTS. IN THE EVENT OF LOSS OR DAMAGE TO:**
 - A. ANY ARTICLE OR ARTICLES WHICH ARE A PART OF A PAIR OR SET, THE MEASURE OF LOSS OF OR DAMAGE TO SUCH ARTICLE OR ARTICLES SHALL BE REASONABLE AND FAIR PROPORTION OF THE TOTAL VALUE OF THE PAIR OR SET, GIVING CONSIDERATION TO THE IMPORTANCE OF

NAMED INSURED: AADLEN BROTHERS AUTO WRECKING

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: NP 909-3004 IL 02 70 03 87 EFFECTIVE DATE: 10-8-87

CALIFORNIA CHANGES—CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART—EXCEPT COVERAGE FORMS A AND B
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. The following is added to the CANCELLATION
Common Policy Condition:

**7. POLICIES IN EFFECT FOR MORE THAN 60
DAYS**

- a. If this policy has been in effect for more
than 60 days, or is a renewal of a policy we
issued, we may cancel this policy only upon
the occurrence, after the effective date of
the policy, of one or more of the following:

- (1) Nonpayment of premium, including
payment due on a prior policy we
issued and due during the current
policy term covering the same risks.
- (2) Discovery of fraud or material misrep-
resentation by:
 - (a) Any insured or his or her repre-
sentative in obtaining this insur-
ance; or
 - (b) You or your representative in
pursuing a claim under this policy.
- (3) A judgment by a court or an admini-
strative tribunal that you have violated
a California or Federal law, having as
one of its necessary elements an act
which materially increases any of the
risks insured against.
- (4) Discovery of willful or grossly negligent
acts or omissions, or of any violations
of state laws or regulations establishing
safety standards, by you or your rep-
resentative, which materially increase
any of the risks insured against.

- (5) Failure by you or your representative to
implement reasonable loss control
requirements, agreed to by you as a
condition of policy issuance, or which
were conditions precedent to our use of
a particular rate or rating plan, if that
failure materially increases any of the
risks insured against.

- (6) A determination by the Commissioner
of Insurance that the:

- (a) Loss of, or changes in, our rein-
surance covering all or part of the
risk would threaten our financial
integrity or solvency; or
- (b) Continuation of the policy coverage
would:
 - i. Place us in violation of Cal-
ifornia law or the laws of the
state where we are domiciled;
or
 - ii. Threaten our solvency.

- (7) A change by you or your representative
in the activities or property of the
commercial or industrial enterprise,
which results in a materially added,
increased or changed risk, unless the
added, increased or changed risk is
included in the policy.

- b. We will mail or deliver advance written
notice of cancellation, stating the reason
for cancellation, to the first Named
Insured, and to the producer of record, at
least:

(over)



NAMED INSURED: AADLEN BROTHERS AUTO WRECKING

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: NP 909-3004

CP 01 86 04 86 EFFECTIVE DATE: 10-8-87

CHANGES—POLLUTANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. The changes below apply to the following forms:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

BUILDERS' RISK COVERAGE FORM

TOBACCO SALES WAREHOUSES COVERAGE FORM

1. Under PROPERTY NOT COVERED, the following is added:

Covered Property does not include water.

2. The DEBRIS REMOVAL Additional Coverage is replaced by the following:

Debris Removal

- a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

(1) The date of direct physical loss or damage; or

(2) The end of the policy period.

- b. The most we will pay under this Additional Coverage is 25% of:

(1) The amount we pay for the direct loss or damage; plus

(2) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limit of Insurance section.

- c. This Additional Coverage does not apply to costs to:

(1) Extract "pollutants" from land or water; or

(2) Remove

Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us within 180 days of the earlier of:

a. The date of direct physical loss or damage; or

b. The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This limit is in addition to the Limits of Insurance.

4. Paragraph 2. of the LIMITS OF INSURANCE Section is replaced by the following:

2. Debris Removal; but if:

a. The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or

b. The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 2.b. above;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

5. The following DEFINITION is added.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- B. The PERIOD OF RESTORATION is added to include the

NAMED INSURED: AADLEN BROTHERS AUTO WRECKING
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CP 02 99 11 85

CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

- A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

1. Seasonal unoccupancy;
2. Buildings in the course of construction, renovation or addition; or
3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- B. After damage by a Covered Cause of Loss, permanent repairs to the building:

1. Have not started, and
2. Have not been contracted for,

within 30 days of initial payment of loss.

- C. The building has:

1. An outstanding order to vacate;
2. An outstanding demolition order; or
3. Been declared unsafe by governmental authority.

- D. Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

- E. Failure to:

1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

POLICY NUMBER: NP 909-3004

EFFECTIVE DATE: 10-8-87



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY—NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

NAMED INSURED: AADLEN BROTHERS AUTO WRECKING

POLICY NUMBER: NP 909-3004

EFFECTIVE DATE: 10-8-87

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H—DEFINITION.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

- a. **Building**, meaning the building or structure described in the Declarations, including:
 - (1) Completed additions;
 - (2) Permanently installed fixtures, machinery and equipment;
 - (3) Outdoor fixtures;
 - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
 - (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
- b. **Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property—Separation of

Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others; and
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.

c. Personal Property of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;



POLICY NUMBER 8 09 MX5 80077504

NAMED INSURED

ADDLEN BROS. AUTO WRECKING, ETAL

PORTFOLIO POLICY (R)

PROPERTY-CARD (R) PROPERTY COVERAGE DECLARATIONS

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES, ENDORSEMENTS AND
LIMITS OF LIABILITY SHOWN BELOW.

BUSINESS REAL PROPERTY - BROAD FORM

COINSURANCE 90%

LOCATIONS AND LIMITS OF LIABILITY

LOC	LIMITS OF LIABILITY	DEDUCTIBLE	LOC	LIMITS OF LIABILITY	DEDUCTIBLE
001	\$1,000	\$250			

ENDORSEMENTS - BUSINESS PROPERTY

REPLACEMENT COST ENDORSEMENT (140381-10-74 REV 1)

LOCATION AND DESCRIPTION OF BUSINESS PROPERTY ITEMS

LOC. 001 BUSINESS REAL PROPERTY

WATER DAMAGE EXCLUSIVE ENDORSEMENT (141009-26-89)

APPLIES TO: BUSINESS REAL PROPERTY

LOC. 001

ENDORSEMENTS - OTHER PROPERTY COVERAGE

001 100001 10%

ADDING TO PART C - PROPERTY WE DO NOT COVER.

16. BUSINESS PERSONAL PROPERTY LOCATED OUTSIDE OF BUILDINGS
SITUATED ON THE PREMISES INSURED UNDER THIS POLICY.



END OF PROPERTY COVERAGE DECLARATIONS

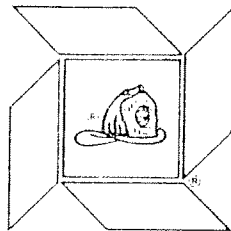


INSURED'S COPY



BRANCH COPY

COMMERCIAL LINES



Standard Form—California

With respect to those perils and for those kinds of property covered shown in the Declarations, the Company agrees that wherever the conditions of the Standard Form Fire Insurance Policy printed below constitutes a liberalization of any condition stated elsewhere in the policy, the conditions printed below shall be paramount with respect to insurance afforded under Section I.

It is agreed that the dollars premium, term of insurance, amount insured, location of property and the name of the insured as required to be specified in the California Standard Form Fire Insurance Policy shall be the same as provided in the Declarations.

CALIFORNIA STANDARD FORM FIRE INSURANCE POLICY

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO AND OF the specified dollars premium in the Declarations, this Company, for the term of years specified in the Declarations from inception date shown in the Declarations At 12:01 am (Standard Time) to expiration date shown in the Declarations At 12:01 am (Standard Time) at location of property involved, to an amount not exceeding the specified dollars in the Declarations, does insure the insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all **LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED**, to the property described in the Declarations while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

1 Concealment, fraud. This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

7 Uninsurable and excepted property. This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

11 Perils not included. This company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any one of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this company be liable for loss by theft.

25 Other insurance. Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

28 Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of 60 consecutive days; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

36 Other perils or subjects. Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

39 Added provisions. The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy or by statute is subject to change.

46 Waiver provisions. No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

52 Cancellation of policy. This policy shall be canceled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rate for the expired time. This policy may be canceled at any time by this company by giving to the insured a five days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

63 Mortgagee interests and obligations. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be canceled by giving to such mortgagee a 10 days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this company shall claim that no liability existed as to the mortgagee or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

James J. McLaughlin
PRESIDENT

76 sue; or it may pay off the mortgage debt and require an assign-
77 ment thereof and of the mortgage. Other provisions relating to
78 the interests and obligations of such mortgagee may be added
79 hereto by agreement in writing.
80 **Pro rata liability.** This company shall not be liable for a
81 greater proportion of any loss than the amount hereby insured
82 shall bear to the whole insurance covering the property against
83 the peril involved, whether collectible or not.
84 **Requirements in case loss occurs.** The insured shall give writ-
85 ten notice to this company of any loss without unnecessary de-
86 lay, protect the property from further damage, forthwith sepa-
87 rate the damaged and undamaged personal property, put it in
88 the best possible order, furnish a complete inventory of the de-
89 stroyed, damaged and undamaged property, showing in detail
90 quantities, costs, actual cash value and amount of loss claimed;
91 and within 60 days after the loss, unless such time is extended
92 in writing by this company, the insured shall render to this com-
93 pany a proof of loss, signed and sworn to by the insured, stating
94 the knowledge and belief of the insured as to the following: the
95 time and origin of the loss, the interest of the insured and of all
96 others in the property, the actual cash value of each item thereof
97 and the amount of loss thereto, all encumbrances thereon, all
98 other contracts of insurance, whether valid or not, covering any
99 of said property, any changes in the title, use, occupation, loca-
100 tion, possession or exposures of said property since the issuing of
101 this policy, by whom and for what purpose any building herein
102 described and the several parts thereof were occupied at the
103 time of loss and whether or not it then stood on leased ground,
104 and shall furnish a copy of all the descriptions and schedules in
105 all policies and, if required and obtainable, verified plans and
106 specifications of any building, fixtures or machinery de-
107 stroyed or damaged. The insured, as often as may be reason-
108 ably required, shall exhibit to any person designated by this
109 company all that remains of any property herein described, and
110 submit to examinations under oath by any person named by this
111 company, and subscribe the same; and, as often as may be rea-
112 sonably required, shall produce for examination all books of
113 account, bills, invoices and other vouchers, or certified copies
114 thereof if originals be lost, at such reasonable time and place as
115 may be designated by this company or its representative, and
116 shall permit extracts and copies thereof to be made.

117 **Appraisal.** In case the insured and this company shall fail to
118 agree as to the actual cash value or the amount of loss, then, on
119 the written demand of either, each shall select a competent and
120 disinterested appraiser and notify the other of the appraiser
121 selected within 20 days of such demand. The appraisers
122 shall first select a competent and disinterested umpire; and fail-
123 ing for 15 days to agree upon such umpire, then, on request of
124 the insured or this company, such umpire shall be selected by a
125 judge of a court of record in the state in which the property cov-
126 ered is located. The appraisers shall then appraise the loss,
127 stating separately actual cash value and loss to each item; and,
128 failing to agree, shall submit their differences, only, to the um-
129 pire. An award in writing, so itemized, of any two when filed
130 with this company shall determine the amount of actual cash
131 value and loss. Each appraiser shall be paid by the party
132 selecting him and the expenses of appraisal and umpire shall
133 be paid by the parties equally.
134 **Company's options.** It shall be optional with this company to
135 take all, or any part, of the property at the agreed or appraised
136 value, and also to repair, rebuild or replace the property
137 destroyed or damaged with other of like kind and quality
138 within a reasonable time, on giving notice of its intention so to
139 do within 30 days after the receipt of the proof of loss herein
140 required.
141 **Abandonment.** There can be no abandonment to this com-
142 pany of any property.
143 **When loss payable.** The amount of loss for which this com-
144 pany may be liable shall be payable 60 days after proof of
145 loss, as herein provided, is received by this company and ascer-
146 tainment of the loss is made either by agreement between the
147 insured and this company expressed in writing or by the filing
148 with this company of an award as herein provided.
149 **Suit.** No suit or action on this policy for the recovery of any
150 claim shall be sustainable in any court of law or equity unless
151 all the requirements of this policy shall have been complied
152 with, and unless commenced within 12 months next after
153 inception of the loss.
154 **Subrogation.** This company may require from the insured
155 an assignment of all right of recovery against any party for
156 loss to the extent that payment therefor is made by this
157 company

COMMERCIAL COVERAGE

GENERAL PROVISIONS

POLICY COVERAGE

140501-06-84

The Company **DOES HEREBY AGREE** with the Insured named in the Declarations made a part hereof, in consideration of the payment of the premium and of the

statements contained in the Declarations, coverage parts and schedules supplementary thereto, and subject to the limits of liability and other terms of this policy:

BASIC INSURING AGREEMENT

COVERAGE. To afford insurance in accordance with the forms and endorsements included in each Coverage for-

ming part of this policy, as designated in the Declarations.

GENERAL POLICY CONDITIONS APPLICABLE TO PROPERTY, LIABILITY, INLAND MARINE AND CRIME COVERAGES ONLY UNLESS LIKE CONDITIONS ARE CONTAINED IN THE INDIVIDUAL COVERAGE FORMS ATTACHED TO THE POLICY IN WHICH THOSE CONDITIONS SHALL APPLY.

1. **Misrepresentation and Fraud.** This entire policy shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

2. **Conformity with Statute.** The terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

3. **Assignment.** Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if, however, the Named Insured shall die, such insurance as is afforded by this policy shall apply (1) to the Named Insured's legal representative, as the Named Insured, but only while acting within the scope of his duties as such and (2) with respect to the property of the Named Insured, to the person having proper temporary custody thereof, as Insured, but only until the appointment and qualification of the legal representative.

4. **Cancellation.** This policy may be cancelled by the Named Insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the Named Insured at the mailing address shown in the Declarations written notice stating when, not less than thirty days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Named Insured or by the Company shall be equivalent to mailing.

If the Named Insured cancels, earned premium shall be computed in accordance with the customary short rate

table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

5. **Special Definition.** Wherever in any form attached the word "policy" appears it shall mean the coverage of this policy of which such form is a part, or the supplemental policy or policies to which such form applies.

6. **Liberalization Clause.** If during the period that insurance is in force under this policy, or within forty-five (45) days prior to the inception date thereof, this Company adopts, or insurance supervisory authorities approve for this Company, all in conformity with the law, any changes in the forms attached to this policy, by which such form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such endorsement or substitution of form had been made.

7. **Inspection and Audit.** The Company shall be permitted but not obligated to inspect the Named Insured's property and operations at any time. Neither the Company's right to make inspection or the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The Company may examine and audit the Named Insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

ONE OF THE AGREEMENTS FORMS OF THE COMPANIES AS NAMED IN THE DECLARATION

William H. Decker

PRESIDENT

Policy Period Provisions. The term of coverage under this policy shall be as specified in the Declarations.

9. **Premium.** The premium stated in the Declarations shall be adjusted in accordance with the premium computation provisions, if any, of the applicable forms included in each coverage of this policy.

If this policy is issued for a period of three years and premium is not paid in advance, the premiums due for each annual period of this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premium in effect (a) on the inception date of each annual period for annualized policies, or (b) on the inception date of the policy for non-annualized policies.

Tentative Premium Provisions

As respects the policy Coverages shown in the Declarations, the premium developed for this policy is based on tentative rates. It is a condition of this policy that when the final rate(s) are promulgated by the Rating Bureau having jurisdiction they will be applied in the development of the Final Premium Due at Inception or in the development of Addition

al or Return Premium due as of the effective date of the final rate(s).

10. **Declarations.** By acceptance of this policy the Named Insured agrees that the stipulations in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance. The Declarations shall include the General Declaration and the Declarations for each coverage provided by the policy.

11. **Time of Inception.** The time of inception and the time of expiration of this policy shall be 12:01 a.m., standard time. To the extent that coverage in this policy replaces coverages in other policies terminating at noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated; or, in the event that specific state or jurisdictional law or regulations applicable to any coverage provided require that coverage incept or terminate at 12:00 noon, the time of inception or the time of expiration shall be 12:00 noon.

GENERAL POLICY CONDITIONS APPLICABLE TO LIABILITY COVERAGES UNLESS LIKE CONDITIONS APPEAR IN THE COVERAGE FORMS ATTACHED TO THIS POLICY, IN WHICH CASE THOSE CONDITIONS APPLY. (EXCLUDING AUTO AND GARAGE COVERAGES)

1. **Action Against Company.** No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the insured to determine the insured's liability; nor shall the Company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the Company of any of its obligations hereunder.

2. **Subrogation.** In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to pre-

judice such rights.

3. **Financial Responsibility Laws.** When this policy is verified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for **bodily injury liability** or for **property damage liability** shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

4. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

5. **Aggregate Limit of Liability.** Any limit of the Company's liability stated in the Liability Coverage of this policy as "aggregate" shall apply separately to each consecutive annual period of the policy.

DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"**automobile**" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include **mobile equipment**;

"**bodily injury**" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"**completed operations hazard**" includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect hereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following

times: (1) when all operations to be performed by or on behalf of the **named insured** under the contract have been completed, (2) when all operations to be performed by or on behalf of the **named insured** at the site of the operations have been completed, or (3) when the portion of the work out of which injury or damage arises has been put to its intended use by any person or organization, other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The **completed operations hazard** does not include **bodily injury** or **property damage** arising out of

(a) operations in connection with the transportation of property, unless the **bodily injury** or **property damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof.

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the Company's manual specifies "including completed operations";

"**elevator**" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an **automobile** servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.

"**incidental contract**" means any written (1) lease of premises, (2) operating agreement, or (3) in connection with construction or demolition operations on or adjacent to a railroad, (4) and stating a municipality's responsibility required by municipal ordinance, except in connection with work for the municipality, (4) subcontract agreement, or (5) elevator maintenance agreement;

"**insured**" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each **insured** against whom claim is made or suit is brought, except with respect to the limits of the Company's liability.

"**mobile equipment**" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or

rented to the **named insured**, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle; power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"**named insured**" means the person or organization named in the Declarations.

"**named insured's products**" means goods or products manufactured, sold, handled, or distributed by the **named insured** or by others trading under his name including any container thereof (other than a vehicle), but "**named insured's products**" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"**occurrence**" means an accident, including continuous or repeated exposure to conditions, which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **insured**;

"**policy territory**" means:

(1) the United States of America, its territories or possessions, or Canada, or

(2) international waters or air space, provided the **bodily injury** or **property damage** does not occur in the course of travel or transportation to or from any other country, state or nation, or

(3) anywhere in the world with respect to damages because of **bodily injury** or **property damage** arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

"**products branch**" includes **bodily injury** or **property damage** arising out of the **named insured's** products or related to such products, including stock in any form, stored in special storage, only if the **bodily injury** or **property damage** occurs away from premises owned by or rented to the **named insured** and after physical possession of such products has been relinquished to others;

"**property damage**" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period;

"**workers' compensation**" includes workmens' compensation where applicable.

CONDITIONS

I. PREMIUM. All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium for the General Liability is included in the estimated annual premium set forth in the Declarations. It is a deposit premium only which shall be credited to the amount of the earned premium due at the end of each annual policy

period). At the close of each period (or part thereof terminating with the end of each annual policy period) designated in the Declarations as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the named insured shall become due and payable. If the total earned premium for each annual policy period is less than the premium previously paid, the Company shall return to the named insured the unearned portion paid by the named insured.

The named insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Company at the end of the policy period and at such times during the policy period as the Company may direct.

2. OTHER INSURANCE. The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the loss than stated in the applicable contribution provision below:

(c) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for the contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of such insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers

then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the Company shall not be liable for a greater proportion of such loss than the applicable limit of Liability under this policy for such loss bears to the total applicable limit of all valid and collectible insurance against such loss.

3. INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT

(a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the Company or any of its authorized agents as soon as practicable.

(b) If a claim is made or suit is brought against the insured, the insured shall immediately forward to the Company every demand, notice, summons, or other process received by him or his representative.

(c) The insured shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for the first aid to others at the time of the accident.

SUPPLEMENTARY PAYMENTS

The Company will pay, in addition to the applicable limit of liability:

(a) all expenses incurred by the Company, all costs taxed against the insured in any suit defended by the Company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;

(b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability

of this policy, and the cost of bail bonds required at the insured because of accident or traffic violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bonds, but the Company shall have no obligation to apply for or furnish any such bonds;

(c) reasonable expenses incurred by the insured for first aid to others at the time of an accident, for bodily injury to which this policy applies;

(d) reasonable expenses incurred by the insured at the Company's request in assisting the Company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)

This endorsement modifies the provisions of this policy relating to all General Liability and Medical Payments.

It is agreed that:

1. This policy does not apply:

A. Under any Liability Coverage, to bodily injury or property damage

(1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or

(2) resulting from the **hazardous properties of nuclear material** and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

C. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties of nuclear material**, if

(1) the **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (b) has been discharged or dispersed therefrom;

(2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

(3) the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such **nuclear facility** and any property thereat.

II. As used in this endorsement:

"**hazardous properties**" includes radioactive, toxic or explosive properties;

"**nuclear material**" means **source material**, **special nuclear material** or **byproduct material**;

"**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"**spent fuel**" means any fuel element or fuel component solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

"**waste**" means any **waste material**

(a) containing **by-product material** other than the tailings or **wastes** produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and

(b) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

"**nuclear facility**" means

(a) any **nuclear reactor**,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**,

(c) any equipment or device used for the processing, fabricating, or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material,

"**property damage**" includes all forms of radioactive contamination of property.

IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary, but it shall not be binding upon us unless it is countersigned on the Declarations page by one of our duly authorized agents.



SECRETARY



PRESIDENT

COMMERCIAL COVERAGE

GENERAL PROVISIONS

**Amendatory Endorsement
Prejudgment Interest**

POLICY AMENDMENT

IL 00 18 10 84

The following is added to the Supplementary Payments provision in this policy:

The Company will pay, in addition to the applicable limit of liability, prejudgment interest awarded against the **insured** on

that part of the judgment the Company pays. If the Company makes an offer to pay the applicable limit of its liability, the Company will not pay any prejudgment interest based on that period of time after the offer.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

William H. McNamee

H XCL

PRESIDENT

STOCK NO. IL 00 18 10 84

COMMERCIAL COVERAGE

POLICY COVERAGE

PROPERTY COVERAGE

Property-Gard®

141006-06-84

This is your Property-Gard® Policy.
This policy is divided into the following Parts.

- PART A—GENERAL CONDITIONS AND INFORMATION
- PART B—PROPERTY WE COVER
- PART C—PROPERTY WE DO NOT COVER
- PART D—CAUSES OF LOSS WE COVER
- PART E—CAUSES OF LOSS WE DO NOT COVER
- PART F—LOSS ADJUSTMENT PROVISIONS
- PART G—GLOSSARY

Carefully read this policy to make certain it contains all the insurance you need. For an appropriate premium, additional coverages are available and may be added upon request. Basically, the Property-Gard® Policy covers property losses, but may be extended to cover other kinds of loss, such as loss of income and additional expense caused by destruction of your property.

Throughout the policy, the terms "you", "your" and "yours" mean the person or organization shown in the Declarations as the Named Insured. "We", "us" and "our" mean the Company issuing this policy. Whenever we use the word "policy", we are referring to this Property-Gard® Policy.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

H XCL

William H. Halstead

PRESIDENT

PART A—GENERAL CONDITIONS AND INFORMATION

1. **Policy As A Contract.** This policy is a contract. We agree to provide you with the coverage described in the Declarations, in the policy and in any forms and endorsements attached. In return, you must pay the premium; keep all promises you have made under this contract; and fulfill all the obligations and requirements set forth in this contract.
2. **Declarations.** The Declarations will show you which coverages you have purchased and the limits of liability that apply at each covered location. You have only those coverages and those amounts that are shown in the Declarations. By accepting this policy, you agree that:
 - a. the statements in the Declarations are your agreements and representations;
 - b. this policy is issued in reliance on the truth of such representations; and
 - c. this policy contains all agreements existing between you and us or any of our agents.
3. **Policy Period.** This policy applies only to loss or damage that occurs during the policy period shown in the Declarations. The policy period begins and ends at 12:01 a.m. standard time, at your address shown in the Declarations. But if this policy replaces a policy which expires at noon standard time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon standard time, this policy will begin and end at noon standard time.
4. **Premiums.** We will compute the premium as called for by our rules, rates and rating plans applying to the coverages provided by this policy. If a premium is due at each anniversary, we will use the rates in effect at the anniversary date.
5. **Tentative Premium Provisions.** The premium for this policy may be based on tentative rates. If so, an additional or return premium will be developed when final rates become available.
6. **Concealment or Fraud.** This policy is void if you have intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.
7. **Conformity with Statute.** Any terms of this policy that are in conflict with the laws of the state in which it is issued are changed to conform to such laws.
8. **Assignment.** You may not assign any interest under this policy unless we give our written consent. But if you die, we will cover:
 - a. your legal representative while acting within the scope of the duties of such; or
 - b. the person having temporary custody of your property until your legal representative is appointed and qualified.
9. **Cancellation.**
 - a. You may cancel the policy at any time. You may do so by returning the policy to us or to any of our authorized agents. You may also do so by giving us written notice of the date cancellation is to take effect.
 - b. We may cancel this policy by giving you written notice at least 30 days before the date cancellation takes effect. We may deliver it to you or mail it to you at your mailing address shown in the Declarations. Proof of mailing or of delivery will be sufficient proof of notice.
 - c. When we cancel, we will refund any unused premium on a pro rata basis. When you cancel, the refund will be on a 90% of pro rata basis. If we do not refund the unearned premium with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.
10. **Liberalization.** We may adopt a change in this policy which gives more coverage without additional premium. If we do so during the policy period or within 45 days before the inception date of the policy, the broadened coverage will immediately apply to this policy.
11. **Inspection and Audit.** We may have your property and operations inspected at any time. But we are not required to do so. An inspection is for our benefit only. We make no representation that your property or operations are safe or healthful; or that they meet the requirements of any law, rule or regulation. This applies to any inspections and reports we make.

We may examine and audit your books and records at any time during the policy period and up to three years after this policy terminates.
12. **Endorsements.** Endorsements may be attached to the policy which change coverage. These endorsements may refer to the "insured" or the "Company". The term "insured" means the person or organization shown in the Declarations as the Named Insured. "Company" means the Company issuing the policy.

If an endorsement is added to this policy adding or deleting a covered cause of loss, the change applies only to PART D and does not change any exclusion in PART E unless it specifically states otherwise.
13. **Glossary.** Certain words and phrases have special meaning throughout this policy. They appear in **boldface type** when used. These words and phrases are defined in the Glossary at the end of this policy.

PART B—PROPERTY WE COVER

When shown in the Declarations, we cover the following kinds of property at the indicated locations. We refer to the property specified in the Declarations as "covered property" and the locations as "covered locations".

1. BUSINESS REAL PROPERTY. We cover the building at the location shown in the Declarations. This includes all of the following:

- a. completed additions;
- b. permanently installed fixtures, machinery and equipment;
- c. outdoor fixtures and structures, including light standards, fences, signs and well-housings; and
- d. personal property you own which is used to maintain or service the building or its premises. This includes
 - (1) fire extinguishing equipment;
 - (2) outdoor furniture;
 - (3) floor covering; and
 - (4) appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.

If not covered by other insurance, we cover:

- e. additions under construction;
- f. alterations and repairs to the building or structure; and
- g. materials, equipment, supplies and temporary structures which are within 100 feet of the described premises and are used for making additions, alterations or repairs.

2. BUSINESS PERSONAL PROPERTY. We cover the following items of personal property which you own and use in your business while they are in or on the premises described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

a. **Property At Specifically Identified Locations.** Your business personal property at identified locations is shown in the Declarations as:

ITEM A—STOCK. This includes stock, materials and supplies of all kinds. It includes your interest in labor, materials or services furnished or arranged by you on personal property owned by others.

ITEM B—FURNITURE, FIXTURES, EQUIPMENT AND MACHINERY. This includes all such items of property that are not permanently installed in the building. It also includes trees, plants and shrubs used inside the building as decoration.

ITEM C—TENANTS OR CONDOMINIUM UNIT OWNER'S IMPROVEMENTS. If you are a tenant, this includes fixtures, alterations, installations or additions which form a permanent part of a building that you occupy but do not own and which have been made at your expense. If you

are a condominium unit-owner, this includes fixtures, alterations, installations or additions which are a part of the building and are owned by you as a unit-owner.

b. **Property at Locations Not Specifically Identified.** Your business personal property at locations not identified is shown in the Declarations as:

ITEM D—PROPERTY AT LOCATIONS NOT SPECIFICALLY IDENTIFIED. This includes all the types of property covered under ITEMS A, B, and C. We only cover such property while it is anywhere within the policy territory, except Canada.

c. **Property Not At A Location.** Your business personal property is covered, while in transit between places in the policy territory. It is shown in the Declarations as:

ITEM E—PROPERTY IN THE FOLLOWING SITUATIONS.

This includes all the types of property covered under Items A, B, and C, while it is:

(1) **IN DUE COURSE OF TRANSIT—INSURED'S VEHICLES.** This covers business personal property which is in, on, connected to or being towed by a vehicle which you own, operate or lease.

(2) **IN CARE, CUSTODY OR CONTROL OF SALESPERSONS.**

This covers business personal property which is not covered under (1) above while it is away from your premises in the care, custody or control of any of your salesperson.

(3) **IN CUSTODY OF CARRIERS FOR HIRE.** This covers business personal property which is not covered under (1) or (2) above while it is in transit or in the custody of carriers for hire.

3. ADDITIONAL COVERAGES. The limits of liability if shown for these coverages are in addition to the limits shown for Business Real Property and Business Personal Property unless otherwise stated.

a. **Debris Removal.** We will pay the reasonable cost to remove the debris of covered property when loss is caused by a cause of loss we cover.

b. **Property Removed.** We cover loss to covered property while being removed from a covered location endangered by a cause of loss we cover. We also cover the removed property while at a place of safety and while being returned to the original location. But this coverage applies only for 10 days beginning with the day you start to move the property.

c. **Fire Department Services.** We will pay up to \$500 for fire department service charges when:

(1) you assumed the charges by contract or agreement prior to the loss;

- (2) the department is called to save or protect covered property from a cause of loss we cover; and
- (3) the property is at a covered location. No deductible applies to this coverage.

d. **F.O.B. Shipments.** We cover the goods you sell to others which are shipped to them at their risk of loss. But this coverage only applies if you cannot collect on the bill of sale because:

- (1) the goods have been damaged by a cause of loss we cover; and
- (2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if the property were your business personal property.

e. **Collapse.** We cover risk of direct physical loss to covered property involving collapse of a building or any part of a building only as follows:

(1) When the covered cause of loss applying to that property is PART D1. **Specified Perils**, we cover such loss caused only by one or more causes of loss described under **Specified Perils**. If PART D2. **Sprinkler Leakage** also applies, we also cover such loss caused by the cause of loss described under **Sprinkler Leakage**.

(2) When the covered cause of loss applying to that property is PART D3. **Broad Form**, we cover such loss caused only by one or more of the following:

- (a) Any cause of loss we cover under PART D1. **Specified Perils**; or PART D2. **Sprinkler Leakage**;
- (b) Breakage of glass that is part of a building or structure;
- (c) Falling objects;
- (d) Weight of snow, ice or sleet;
- (e) Hidden decay;
- (f) Hidden insect or vermin damage;
- (g) Weight of people or personal property;
- (h) Weight of rain which collects on a roof;
- (i) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under (e), (f), (g), (h), or (i) unless the loss is a direct result of the collapse of a building.

(3) When the covered cause of loss applying to that property is PART D4. **Difference in Conditions**, we cover such loss as under (2) above except we do not cover such loss caused by one or more causes of loss described under PART D1. **Specified Perils** and PART D2. **Sprinkler Leakage**.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

f. **Newly Acquired Property.** If the Declarations show you have Business Real Property Coverage, we cover the buildings you acquire anywhere in the **policy territory** except Can-

ada. If the Declarations show you have Business Personal Property Coverage, we cover your business personal property at a newly acquired location anywhere in the **policy territory** except Canada. The most we will pay for any one loss is \$250,000, whether the loss occurs to real or personal property or to both. This coverage ends:

- (1) 120 days from the date you acquire the property; or
 - (2) on the date you report the values of the property to us; or
 - (3) on the date this policy expires;
- whichever occurs first.

When you report the values of the property to us, you will owe us additional premium from the date of acquisition.

g. **Money, Checks and Stamps.** We cover **money**, checks and stamps you use in the office operations of your business as shown by your records. We cover them while they are contained in the building at a location we cover. We also cover them while they are being carried to and from a covered location. We cover such property against loss from a cause of loss we cover applying to your business personal property at the location. We do not cover any loss caused by or resulting from forgery; alterations; the giving or surrendering of checks or money in exchange or purchase; or accounting or arithmetic errors or omissions. Our limit of liability for this coverage is \$1,000 in any one loss.

h. **Coverages Subject to Aggregate Loss Limitation.** In addition to the individual limits of liability, the following coverages are subject to an aggregate loss limitation. We will not pay more than \$50,000 in any one loss no matter how many coverages are involved.

(1) **Personal Effects.** We cover your **personal effects** and those of your officers, partners and employees while such property is at a covered location. This coverage does not apply to any **personal effects** which are covered elsewhere by this policy or by any other insurance. We cover such property against loss from a cause of loss we cover applying to your business personal property at the location.

No matter how many persons suffer loss to their **personal effects**, we will not pay more than \$1,000 to any one person in any one loss.

Nor will we pay more than the lesser of \$10,000 or 10% of the limit on business personal property at the location where the loss occurs, no matter how many persons suffer loss.

(2) **Property of Others.** We cover **property of others** while it is at a covered location. We cover such property against loss from a cause of loss we cover applying to your business personal property at the location.

We will not pay more than the lesser of \$10,000 or 10% of the limit on business personal property at the location where the loss occurs.

(3) **Outdoor Trees, Shrubs, Plants and Lawns.** We cover your trees, shrubs, plants and lawns that are outside a covered

building when the loss is caused by or results from any of the following causes of loss: fire; lightning; aircraft; explosion; riot or civil commotion; smoke; vehicles; vandalism or malicious mischief. We will not pay more than the lesser of \$10,000 or 10% of the combined limits on business real property and business personal property at the location where the loss occurs.

(4) **Property Off Premises.** We cover covered property while it is temporarily away from the covered location to be cleaned, repaired or serviced. While at the temporary location, we cover it against loss from a cause of loss we cover applying to the property at the covered location. While in transit to and from the temporary location, the Broad Form causes of loss apply to such property.

We will not pay more than the lesser of \$10,000 or 10% of the combined limits on business real property and business personal property at the covered location where the property is usually situated.

(5) **Extra Expense, Expediting Expense and Loss Adjustment Expense.** When a loss covered by this policy occurs, we will pay the extra expense you necessarily incur to continue or resume your **normal business operations**. We will pay only that part of the total expense that exceeds the amount which ordinarily would have been incurred to conduct **your business**. We will not be liable for any longer period of time than is necessarily required to rebuild, repair or replace the damaged property. This period of time is not limited by the expiration date of the policy.

We will also pay the reasonable cost you incur to expedite repairs to covered property. This includes payment of overtime wages and the extra cost of express or other rapid means of transportation.

We will also pay the extra wages you pay your employees for

preparing inventories and other loss data for completing your proof of loss.

We will not pay more than the lesser of \$10,000 or 10% of the combined limits on business real property and business personal property at the location where the loss occurs.

(6) **Accounts Receivable.** We cover your records of balances owed you by your customers while the records are at a covered location. We cover such records against loss from a cause of loss we cover applying to your business personal property at the location.

We will pay the following when they result from loss or damage to these records:

- (a) Sums owed you by customers which you cannot collect;
- (b) Interest charges you must pay on loans obtained to offset impaired collections;
- (c) That part of your collection costs that exceeds your normal costs;
- (d) Other costs you reasonably incur to restore your records.

We will not pay more than the lesser of \$10,000 or 10% of the combined limits on business real property and business personal property at the location where the loss occurs.

(7) **Valuable Papers and Records.** We cover the valuable papers and records you use in **your business** against loss from a cause of loss we cover applying to business personal property at the covered location where the loss occurs. Such papers and records include books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts. We only cover them while they are in that part of the building which you occupy at the covered location.

We will pay the research and other costs necessary to reproduce, replace or restore such papers and records. We will not pay more than the lesser of \$10,000 or 10% of the combined limits on business real property and business personal property at the location where the loss occurs.

PART C—PROPERTY WE DO NOT COVER

We do not cover any of the following property, unless specifically covered in the Declarations:

1. roadways, walks, patios or other paved surfaces;
2. the cost of excavations, grading or filling;
3. foundations of buildings, structures, machinery or boilers if such foundations are below ground;
4. equipment or machinery below the lowest basement floor or (when there is no basement) below ground;
5. underground pipes, flues or drains;
6. retaining walls that are not part of the building;
7. growing crops outside of buildings;
8. personal property you sell under any deferred payment plan (such as, a conditional sale, trust agreement or installment plan) after such property has been delivered to the customer;

9. any **vehicle** designed and intended for highway use except;
 - a. those operated solely at a covered location,
 - b. motorcycles and similar motorized vehicles you sell;
 - c. trailers which you sell and which are designed for use with private passenger automobiles.
10. animals except those you sell;
11. aircraft;
12. watercraft while afloat;
13. **money** and securities except as covered under PART B 3. **Additional Coverages** subsection g. **Money, Checks and Stamps.**
14. **Property of Others** except as covered under PART B 3. **Additional Coverages**, subsection h.(2) **Property of Others.**
15. Property which is more specifically described and covered under this policy or any other policy.

PART D—CAUSES OF LOSS WE COVER

The causes of loss we cover are shown in the Declarations as either "Specified Perils", or "Sprinkler-Leakage", "Broad Form" or "Difference in Conditions". When a limit of liability is shown in the Declarations, the described property is covered against the causes of loss shown. The Causes of Loss are described below.

ity is shown in the Declarations, the described property is covered against the causes of loss shown. The Causes of Loss are described below.

1. SPECIFIED PERILS

When the Declarations show the covered Causes of Loss as "Specified Perils", we cover the described property at the indicated location for risk of direct physical loss caused by or resulting from one or more of the following causes of loss unless the loss is excluded in **PART E—CAUSES OF LOSS WE DO NOT COVER**:

a. **Fire.**

b. **Lightning**

c. **Explosion**, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:

- (1) Rupture, bursting or operation of pressure relief devices; or
- (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

d. **Windstorm or Hail**, but not including:

- (1) Frost or cold weather; or
- (2) Ice (other than hail), snow or sleet, whether driven by wind or not.

We will not pay for loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

e. **Smoke**, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

f. **Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a **vehicle** or an object thrown up by a **vehicle** with the described property or with the building or structure containing the described prop-

erty.

This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from **vehicles** you own or operate.

g. **Riot or Civil Commotion**, including:

- (1) Acts of striking employees while occupying the described premises; and
- (2) Looting occurring at the time and place of a riot or civil commotion.

h. **Vandalism**, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage.

- (1) To glass (other than glass building blocks) that is part of a building, structure, or an outside sign; but we will pay for loss or damage to other property caused by or resulting from breakage of glass by vandals.

- (2) Caused by or resulting from **theft**, except for building damage caused by the breaking in or exiting of burglars.

i. **Volcanic Action**, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or
- (3) Lava flow.

All volcanic eruptions that occur within any 72 hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

j. **Accidental Discharge or Overflow of Water or Steam** from within a plumbing, heating or air conditioning system. But we won't pay more than \$1000 for loss caused by such discharge or overflow. This limit does not apply to accidental discharge or overflow from fire protection equipment.

2. SPRINKLER LEAKAGE

When the Declarations show the covered Causes of Loss as "Sprinkler Leakage", we cover the described property at the indicated location for risk of direct physical loss caused by or resulting from leaking or discharge of any substance from an **automatic sprinkler system**, including collapse of a tank that is part of the system, unless the loss is excluded in **PART E—CAUSES OF LOSS WE DO NOT COVER**.

If we cover the building or structure containing the automatic

sprinkler system, we will pay the cost to:

a. repair or replace damaged parts of the **automatic sprinkler system** if the damage:

- (1) results in sprinkler leakage; or
- (2) is directly caused by freezing;

b. tear out and replace any part of the building or structure to repair damage to the **automatic sprinkler system** that has resulted in sprinkler leakage.

3. BROAD FORM

When the Declarations show the covered Causes of Loss as "Broad Form", we cover the described property at the indicated location for risk of direct physical loss from any exter-

nal cause except losses excluded in **PART E—CAUSES OF LOSS WE DO NOT COVER.**

4. DIFFERENCE IN CONDITIONS

When the Declarations show the covered Causes of Loss as "Difference in Conditions", we cover the described property at the indicated location for risk of direct physical loss from any external cause except:

a. losses caused by or resulting from one or more of the

causes of loss described above in "Specified Perils" and "Sprinkler Leakage"; and

b. losses excluded in **PART E—CAUSES OF LOSS WE DO NOT COVER.**

PART E—CAUSES OF LOSS WE DO NOT COVER

No matter which Causes of Loss apply, we will not cover loss or damage caused by any of the following:

1. **Exclusions Applicable Regardless of Concurrent or Sequential Cause of Loss.** We do not cover loss or damage caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event which contributes concurrently or in any sequence to the loss.

a. **Ordinance or Law.** We do not cover loss or damage caused by or resulting from the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or structure.

b. **Earth Movement.** We do not cover loss or damage caused by, resulting from, contributed to or made worse by:

(1) Any earth movement (other than sinkhole collapse or mine subsidence), such as an earthquake, landslide, or earth sinking, rising or shifting. But if loss or damage by fire or explosion not otherwise excluded results, we will pay for that resulting loss or damage.

(2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action not otherwise excluded results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 72 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. **Flood.** We do not cover loss or damage caused by, resulting from, contributed to or made worse by flood. But if loss or damage by fire or explosion not otherwise excluded results, we will pay for that resulting loss or damage.

d. **Governmental Action.** We do not cover loss or damage caused by or resulting from seizure or destruction of property by order of governmental authority. Nor do we cover any loss or damage to contraband or property involved in illegal transportation or trade. But this does not apply to acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

e. **War.** We do not cover loss or damage caused by or resulting from war. "War" includes: undeclared war; civil war, insurrection, rebellion or revolution; warlike act by a military force or military personnel; destruction or seizure or use for a military purpose; and any consequence of any of these. Discharge of a nuclear weapon is considered a warlike act even if accidental.

f. **Nuclear Hazard.** We do not cover loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination; all whether controlled or uncontrolled or however caused; and any consequence of any of these. But, except for property located in New York State, if loss or damage by fire results, we will pay for the resulting loss or damage.

2. **Exclusions Applicable Whether Causing or Aggravating the Loss.** We do not cover loss caused by, resulting from, contributed to or made worse by any of the following:

a. **Electric Current.** We do not cover loss or damage caused by or resulting from artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires. But if loss or damage by any cause of loss not otherwise excluded results, we will pay for that resulting loss or damage.

b. **Power Failure.** We do not cover loss or damage caused by or resulting from the failure of power or other utility service supplied to the described location if the failure occurs away from the described location.

But if loss or damage by a cause of loss we cover results, we will pay for the resulting loss or damage.

c. **Interference by Strikers.** We do not cover any increased costs caused by or resulting from strikers or other persons interfering with the rebuilding, repairing or replacing of the covered property or with the resumption or continuation of business.

d. **Common Causes of Loss.** We do not cover loss or damage caused by or resulting from:

- (1) wear and tear, inarring or scratching;
- (2) deterioration, inherent vice or latent defect;
- (3) mechanical breakdown of machines, including rupture or bursting caused by centrifugal force;
- (4) rust, mold, wet or dry rot, disease or contamination;
- (5) dampness or dryness of atmosphere;
- (6) changes in or extremes of temperature;
- (7) birds, vermin, rodents, insects or animals;
- (8) settling, shrinking, cracking, bulging or expansion of any pavement, foundation, building or structure.

But if loss or damage by any cause of loss not otherwise excluded results, we will pay for the resulting loss or damage.

e. **Market Delay or Loss.** We do not cover loss or damage caused by or resulting from delay, loss of use or loss of market.

f. **Dishonest or Criminal Acts.** We do not cover loss or damage that is caused by or results from a dishonest or criminal act by any of the following persons, whether acting alone or in collusion with others and whether occurring during working hours or not;

- (1) you;

- (2) any of your partners or employees;
- (3) any of your officers, directors or trustees;
- (4) any of your authorized representatives; or
- (5) anyone to whom you entrust the property other than a carrier or other bailee for hire.

But this exclusion does not apply to acts of destruction (other than **theft**) by your employees.

g. **Theft.** If **theft** is a covered cause of loss, the following exclusions apply:

(1) We will not pay more than \$5000 in any one loss due to **theft** of the following property. This limitation applies no matter how many items are taken or how many categories of property are involved in the loss.

- (a) furs and fur garments;
- (b) jewelry and jewels of any kind valued at more than \$50 per item;
- (c) watches valued at more than \$50 per watch;
- (d) precious metals or alloys of any kind.

(2) We do not cover **theft** of any property which is away from a covered location in an unattended vehicle unless:

- (a) the property is contained in a securely locked fully enclosed body or compartment of the vehicle; or
- (b) the property is in the custody of carriers for hire.

h. **Mysterious Disappearance.** We do not cover loss due to unexplained or mysterious disappearance of property. Nor do we cover any shortage of property discovered on taking inventory.

i. **Contract Cancellations.** We do not cover any loss or damage caused by or resulting from the suspension, lapse or cancellation of any lease, license, contract or order.

j. **Errors in Processing.** We do not cover errors in processing which result in damage to personal property being worked on. Nor do we cover loss or damage caused by or resulting from processing errors or omissions.

k. **Trickery or False Pretense.** We do not cover loss caused by the fact that you or anyone else (other than carriers or other bailees for hire) voluntarily give up title or possession of any property to someone who uses false pretenses or fraud to obtain it.

l. **Steam Equipment.** We do not cover loss to steam boilers, steam pipes, steam turbines or steam engines caused by any condition or event within the equipment itself. But this exclusion does not apply to direct loss which results from the explosion of accumulated gases or unconsumed fuel:

- (1) within the firebox or combustion chamber of any fired vessel; or
- (2) within the flues or passages which conduct the combustion gases.

m. **Hot Water Equipment.** We do not cover loss to hot water boilers or other equipment used to heat water caused by any condition or event within the equipment itself, other than explosion.

n. **Smoke, Smog, Vapor or Gas.** We do not cover loss or damage caused by or resulting from smoke, smog, vapor or gas unless the loss or damage is sudden and accidental.

o. **Animals.** We do not cover loss or injury to live animals caused by or resulting from any cause of loss except a cause of loss we describe in PART D 1. **Specified Perils.**

p. **Collapse.** We do not cover loss or damage caused by collapse except as provided in PART B 3. **Additional Coverages**, subsection e. **COLLAPSE**. But any ensuing loss not otherwise excluded is covered.

3. **Exclusions Applicable Unless Ensuing Loss Not Excluded Results.** We do not cover loss caused by any of the following. But any ensuing loss not otherwise excluded by this policy is covered.

a. **Weather Conditions.** We do not cover loss caused by weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in exclusions l.a. through l.f. above.

b. **Acts or Decisions.** We do not cover loss caused by the act or decision or failure to act or decide of any person, group organization or governmental body.

c. **Faulty Design, Planning or construction.** We do not cover loss caused by, resulting from, contributed to or made worse by any of the following whether occurring on or off the insured location:

- (1) faulty, inadequate or defective planning, zoning or developing of part or all of any property by any person or organization;
- (2) faulty, inadequate or defective design, development of specifications, workmanship or construction of part or all of any property by any person or organization;
- (3) faulty, inadequate or defective materials used in constructing part or all of any property by any person or organization; or
- (4) faulty, inadequate or defective maintenance of part or all of any property by any person or organization.

PART F—LOSS ADJUSTMENT PROVISIONS

1. **Your Duties After Loss.** If a loss occurs which this policy may cover, you must see that the following duties are performed:

a. **Notice.** Immediately give us or our agent written notice of the loss. In case of violation of law, also notify the police.

b. **Protect Property.** Protect the property from further damage. Make reasonable temporary repairs necessary to protect the property. Keep an accurate record of repair costs. We will reimburse you for these expenses to the extent of our interest. If you must move property covered by this policy to a place of safety, that property will continue to be covered specified under PART B 3. **Additional Coverages**, subsection b. **Property Removed.**

c. **Inventory.** Make an inventory of damaged business personal property. Describe each item in detail. Show the quantity, cost, value and amount of loss claimed. Attach to the inventory copies of any available bills, receipts and related documents which support the inventory figures. Keep a record of the extra wages you pay your employees to complete the inventory.

d. **Permit Inspection.** Show us the damaged property as often as we may reasonably require. Let us examine your books and records as often as we may reasonably ask, at any reasonable time and place that we or our representative may choose. Allow us to make extracts or copies of your books and records.

e. **Examination under Oath.** If we ask, allow us to question you under oath about any matter relating to this insurance or your claim and sign your answers.

f. **Statement of Loss.** Send us a signed, sworn statement of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

g. **Cooperate.** Cooperate with us in the investigation and settlement of the claim.

2. **Appraisal.** If you and we fail to agree on the amount of loss, either one can ask that the amount of loss be set by appraisal. To start the appraisal process, either you or we must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other.

This must be done within 20 days after the written request for appraisal is received.

The two appraisers must then choose a competent, impartial umpire. If they do not agree on an umpire within 15 days, either you or we may have an umpire selected by a court located in the same state as the insured property. The appraisers will then set the amount of the loss. A copy of their report will be given to you and to us. The amount they agree upon will be the amount of loss.

If the appraisers fail to agree within a reasonable time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of loss. You will pay your appraiser, and we will pay ours.

The umpire's fee and other appraisal expenses will be shared equally by you and us.

If we submit to an appraisal, we will still retain our right to deny the claim.

3. **Coinsurance.** If a coinsurance percentage is shown in the Declarations, then losses to property to which the coinsurance percentage applies are governed by the following conditions:

a. We will not pay the full amount of any loss if the value of the property covered at the time of loss times the coinsurance percentage shown for it in the Declarations is greater than the limit of liability for the property. Instead, we will determine the most we will pay using the following steps:

(1) We will multiply the value of the property covered at the time of the loss by the coinsurance percentage.

(2) We will then divide the limit of liability of the property by the figure obtained in step (1).

(3) We will multiply the total amount of the covered loss, less any deductible that applies, by the figure obtained in step (2). This amount is the most we will pay.

b. If one limit of liability applies to two or more separate items, the above conditions will apply to the total of all property to which the limit applies.

c. If the loss involves property at a location not specifically identified, the value used in a.(1) will be the total value of all property at all locations not specifically identified. The limit of liability in a.(2) will be the aggregate limit of liability shown in the Declarations.

d. This Coinsurance provision does not apply to subsections a, b, c, d, f, g and h under Part B3. **Additional Coverages.**

4. **Valuation.** If a loss occurs, we will determine the value of the damaged property at actual cash value as of the time of loss or damage, except as provided below.

a. **Stock** will be valued as follows:

(1) **Stock** you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

(2) **Stock** that is finished goods manufactured by you at the price for which it could have been sold if there had been no loss, less all discounts and unincurred expenses.

(3) **Stock** shipped to you at your actual invoice cost plus any charges you must pay and your commission, if you are the selling agent.

(4) **Stock** that you have shipped at your selling invoice plus any guaranteed, prepaid or advanced freight.

(5) **Stock** that you have shipped not under invoice at its market value at destination on the date of loss less any unincurred expenses.

b. **Glass** will be valued at the cost to replace damaged property with safety glazing material if required by law.

c. **Tenant's Improvements and Betterments** will be valued at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make

repairs promptly. We will determine the proportionate value as follows:

- (a) Multiply the original cost by the period of time from the loss or damage to the expiration of the lease; and
- (b) Divide the amount determined in (a) above by the period of time from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

d. Books of Account, abstracts, drawings, and systems and other records, including those which exist in electronic or magnetic media, that are not covered under PART B 3. **Additional Coverages**, will be valued at the cost of:

- (1) Blank materials for reproducing the records; and
- (2) When there is a duplicate, labor to transcribe or copy the records.

e. When the full cost to repair or replace the damaged property (whether it is business personal property or business real property or both) is \$5000 or less, we will pay the full cost to repair or replace the property without deduction for depreciation. This is subject to the following:

- (1) The damaged property must be repaired or replaced within a reasonable time after loss.
- (2) We will not pay more than the actual cash value of the damaged property until repair or replacement is completed.
- (3) This replacement cost provision does not apply to any of the following property: carpeting, cloth awnings, air conditioners, domestic appliances and out door equipment, whether they are attached to the building or not.
- (4) If coinsurance applies to the damaged building, this replacement cost provision does not apply to the loss to the building unless the limit of liability applying to that building equals or exceeds the amount produced by multiplying the actual cash value of the building at the time of loss by the coinsurance percentage.

5. **Deductible.** Before we pay for loss or damage in any one occurrence, we will subtract from the amount of loss the deductible shown in the Declarations as applying to the damaged property. If more than one deductible is applicable under this Property Guard® policy, we will only apply the highest amount that is applicable.

6. **Loss Payments.** We will pay all adjusted claims within 30 days after you present and we accept the statement of loss, or after an appraisal has been made. At our option, we may take all or part of the damaged property at the agreed or appraised value. Except when the lost or damaged property belongs to someone other than you, we will adjust all losses with you. We will pay you unless some other person or organization is named in the policy to receive payment.

We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such pay-

ments will satisfy your claims against us for the owner's property.

We may elect to defend you against suits arising from claims of owners of property. If we declare to do so, we will do this at our expense.

7. **Loss Clause.** A loss under this policy will not reduce the amount of insurance.

8. **Loss Payee.** If a loss payee is named in the Declarations, we will pay you and the loss payee, as the interests of each may appear.

9. **Mortgage Holders.** The holder of a mortgage on buildings covered by this policy may be named as mortgagee in the Declarations. A trustee under a deed of trust will be treated as a mortgagee.

We will make payment for loss of or damage to buildings to you and the mortgagee, as interests may appear. If there is more than one mortgagee, the order of payment will be the same as the order or precedence of the mortgages.

These further conditions apply to the mortgagee:

a. The mortgagee has the right to receive loss payment even though:

- (1) You failed to comply with this policy's requirements; or
- (2) The mortgagee starts foreclosure or similar actions on the building.

b. If we make loss payments to the mortgagee when you fail to comply with this policy's requirements, you will have to pay us to the extent we pay the mortgagee. The mortgagee will still have the right to receive the balance of the mortgage debt from you.

c. We also have the right to take over your mortgage after making loss payment to the mortgagee. If we do, you will pay your remaining mortgage debt to us.

d. If you fail to pay your premiums, we may request it from the mortgagee.

e. The mortgagee must notify us of any change in ownership known to the mortgagee.

f. If we cancel the policy, we will give notice to the mortgagee. This policy will continue to cover the mortgagee's interest for 30 days from the time it receives the notice of cancellation.

10. **Subrogation.** If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights. If that person or organization does anything to impair our rights, we will not have to pay the loss. But this won't apply in the following situations:

a. When we cover condominium properties under this policy, we waive all our rights against any unit owner of the condominium described in the Declarations.

b. Before a loss has occurred, you may waive your rights

against another party in writing.

c. After a loss has occurred, you may waive your rights against another party in writing only if that party is one of the following:

- (1) someone covered by this policy;
- (2) a company which you own or control or in which you own stock;
- (3) a company which owns or controls you or holds stock in you; or
- (4) your tenant.

d. With respect to goods in transit, you may accept carrier's usual bills of lading, receipts or contracts which contain limitations on the value of such goods.

e. If you waive any of your rights under b. or c. above but have not waived them all, we will be subrogated to those rights which you retained.

11. No Benefit to Bailee. We do not cover, directly or indirectly, any person or organization, other than you, transporting or holding property for a fee.

12. Recovery. If we recover any part of a loss from another party, after we deduct the expenses of making the recovery we will share the recovery with you. Your share will be the proportion that your share of the loss bears to the total amount of the loss.

13. Other Insurance.

a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do, we will pay our share of the loss or damage. Our share is the proportion that the applicable Limit of Liability under this policy bears to the Limits of Liability of all insurance covering on the same basis.

b. If you have other insurance covering the same loss or damage, other than that described in a. above, we will pay only for the amount of loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Liability.

14. Problems Beyond Your Control.

a. This insurance will not be affected or made void by the act or neglect of anyone other than you when the act or neglect is beyond your control. Nor will this insurance be affected when you fail to fulfill an obligation or requirement of this policy if the failure relates to a part of the premises over which you have no control.

b. So far as it is within your control, you must maintain those safeguards which are required by this policy. If you fail to do so, your insurance will be suspended at the location where the failure occurs for as long as the requirement is not met. But your coverage will continue for other locations in which the failure does not apply.

15. Permission to Make Changes. Unless a specific provision of this policy or any endorsements to it states otherwise, you may make any of the following changes in the property covered without affecting your insurance:

- a. You may make alterations and repairs to the property covered.
- b. You may change the way you occupy or use the premises. You may make changes that increase the hazards we cover.

16. Error in Address of Covered Property. If you have not deliberately concealed or misrepresented the location of the covered property, your insurance will not be affected by any error in stating the name, number, street or location of any building or personal property covered by this policy.

17. Labeled Goods. If covered goods bearing a brand on the label are damaged and we exercise our option to take all or part of the property at the agreed or appraised value, you may:

- a. stamp "Salvage" on the goods on their containers; or
- b. remove the brands or labels.


But you must not damage the goods, and must relabel the goods or containers to comply with applicable law. Any cost of stamping, removing or relabeling the goods will be charged to salvage expense.

PART G—GLOSSARY

1. **"Automatic sprinkler system"** means any automatic fire protective or extinguishing system. It includes all of the following that are connected to such system: sprinklers and discharge nozzles; ducts, pipes, valves and fittings; tanks, their component parts and supports; and pumps and private fire protection mains. It also includes non-automatic-fire protective systems and hydrants, standpipes and outlets when they are supplied from an automatic fire protective system.
2. **"flood"** means a general and temporary condition of partial or complete inundation of normally dry land areas from:
 - a. the overflow of inland or tidal waters; or
 - b. the unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. mudslides which are caused or precipitated by accumulation of water on or under the ground.
3. **"money"** means currency, coins and bank notes.
4. **"normal business operations"** means the state that your operations would be in if there had been no loss.
5. **"personal effects"** means apparel, tools, and other personal possessions.
6. **"policy territory"** means:
 - a. the states of the United States of America;
 - b. the District of Columbia;
 - c. Canada.
7. **"property of others"** means property which does not belong to you or to your officers, partners or employees.
8. **"stock"** means merchandise held in storage or for sale; raw materials; and in-process or finished goods. It includes supplies used in packing or shipping of any of these.
9. **"theft"** means any unlawful taking of personal property.
10. **"vehicle"** means any automobile, motorcycle, motor truck, tractor, trailer or semi-trailer, or any similar means of transporting persons or property. Two or more **vehicles** connected together will be considered a single **vehicle**.
11. **"your business"** means the trade, profession or occupation in which you are engaged and which is shown in the Declarations.

To show that we agree to the terms of this policy, it has been signed for us by our President and Secretary. But it shall not be binding on us unless the Declarations page is also signed by one of our duly authorized agents.


SECRETARY


PRESIDENT

COMMERCIAL COVERAGE

PROPERTY COVERAGE

Property-Gard®

Water Damage Exclusion Endorsement

POLICY AMENDMENT

141009-06-84

Your policy is amended by adding the following exclusion to PART E. 1. **Exclusion Applicable Regardless of Concurrent or Sequential Cause of Loss:**

Water Damage. We do not cover loss or damage caused by or resulting from:

(1) water that backs up from a sewer or drain; or

(2) water under the ground surface pressing on, or flowing or seeping through:

- (a) foundations, walls, floors or paved surfaces;
- (b) basements whether paved or not; or
- (c) doors, windows or other openings.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

William H. Delmonico

PRESIDENT

11 XCL

STOCK NO. 141009-06-84 REV.

COMMERCIAL PROPERTY
COVERAGE

PROPERTY COVERAGE

Replacement Cost Endorsement

POLICY AMENDMENT

140381—10-74 REV. 2

IF THE FOLLOWING INFORMATION IS NOT COMPLETE, REFER TO THE APPROPRIATE DECLARATIONS ATTACHED TO THE POLICY.

INSURED	POLICY NUMBER	SEQUENTIAL NO.
PRODUCER	EFFECTIVE DATE	

DECLARATIONS

DESCRIPTION OF BUSINESS PROPERTY ITEMS

☐ LOC. 1

☐ LOC. 2

☐ LOC. 3

☐ LOC. 4

☐ LOC. 5

☐ LOC. 6

1. Only with respect to property to which this endorsement applies, the Property-Gard Coverage of this policy only is amended to substitute the term "replacement cost (without deduction for depreciation)" for the term "actual cash value" wherever it appears in this policy subject, however, in all other respects to the provisions of the endorsement and of the policy to which this endorsement is attached.

2. This endorsement applies only to the items specified in the Declarations.

3. Unless specifically state in the Declarations, this endorsement shall not apply to stock (raw, in process or finished) or merchandise, including materials and supplies in connection therewith, property of others, household furniture or residential contents in portions of a building occupied as the Insured's residence; or to manuscripts; or to paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac, or other articles of art, rarity or antiquity; or to books of account, abstracts, drawings, card

index systems and other records; or to recording or storage media for electronic data processing, including magnetic film, tape, discs, drums and cells.

4. This Company shall not be liable under this endorsement for any loss:

a. Occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s), unless such liability has been specifically assumed under this policy;

b. Unless and until the damaged or destroyed property is actually repaired or replaced by the Insured with due diligence and dispatch; and, in any event, unless repair or replacement is completed within two (2) years after the destruction or damage, or within such further time as the Company may during two years, in writing, allow;

c. To improvements or betterments if repaired or replaced at the expense of others for the use of the Insured.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

HXCL

Myron De Bane
PRESIDENT

5. If insurance is written on either a Coinsurance basis, or reporting basis, as per Reporting Endorsement, the replacement cost of items to which this endorsement applies shall be used in the application of the Coinsurance or full reporting clause.

6. As respects property to which replacement cost coverage is extended under this endorsement, the Insured may elect to make claim under this policy in accordance with its provisions, disregarding this endorsement, except that the Coinsurance or full reporting clause (if applicable and changed as provided by paragraph 1. of this endorsement) shall apply irrespective of the election of the Insured as to this endorsement; and the Insured may make further claim for any additional liability brought about by this endorsement in accordance with its provisions, provided this Company is notified in writing within 180 days after loss, of the

Insured's intent to make such further claim.

7. This Company's liability for loss on a replacement cost basis shall not exceed the smallest of the following amounts:

- a. The limit of Liability of this policy applicable to the damaged or destroyed property;
- b. The replacement cost of the property or any part thereof identical with such property on the same premises and intended for the same occupancy and use; or
- c. The amount actually and necessarily expended in repairing or replacing said property or any part thereof.

8. If the coverage on property under this policy be divided into two or more items, all of the foregoing shall apply separately to each item to which this endorsement applies.



POLICY NUMBER B 09 MXG 80077504

NAMED INSURED

GAOLEN BRYSL AUTO BROKING, ETAL

RATING PERIOD 04-16-85 TO 04-16-86



GENERAL LIABILITY SCHEDULE

Locations

LOC 001 Address 11590 TUXFORD STREET
SUNVALLEY CA 91352

LOC 002 Address 8103 SOUTH ALAMEDA STREET
LOS ANGELES CA 90004

OPERATIONS HAZARDS

Description(s) of Hazard(s)	Premium Base / Exposure	Rates	
		Bodily Injury	Property Damage
ADDITIONAL OPERATIONS LOC 001 002	PERMANENT REMUNERATION 153,000	1.0070	.2368

PRODUCTS/COMPL. OPER. HAZARDS

Description(s) of Hazard(s)	Premium Base / Exposure	Rates	
		Bodily Injury	Property Damage
OFFSHORE SYSTEMS LINE LOC 001 002	2,500,000	1.4050	.0250

END OF GENERAL LIABILITY SCHEDULE(S)

☒ INSURED'S COPY

☐ BRANCH COPY

POLICY NUMBER 8 09 MXG 80077504

NAMED INSURED

ADLER BROS. AUTO WRECKING, ETAL

PORTFOLIO POLICY (R)



GENERAL LIABILITY DECLARATIONS

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES, LIMITS OF LIABILITY AND ENDORSEMENTS SHOWN BELOW.

GENERAL LIABILITY COVERAGES

LIMITS OF LIABILITY

COMPREHENSIVE GENERAL LIABILITY COVERAGE PART

COMBINED BODILY INJURY AND
PROPERTY DAMAGE LIABILITY

\$500,000 EACH OCCURRENCE
\$500,000 AGGREGATE

GENERAL LIABILITY ENDORSEMENT(S)

GENERAL LIABILITY MULTI-COVER (R) PLS (199201-09-82)

PERSONAL INJURY AND ADVERTISING LIABILITY AGGREGATE LIMIT SHALL BE THE PER
OCCURRENCE BODILY INJURY LIABILITY LIMIT UNLESS OTHERWISE INDICATED HEREIN.

PERMITTED PERSONAL PAYMENT LIMIT OF \$1,000 (R) \$1000 EACH PERSON UNLESS
OTHERWISE INDICATED HEREIN.

GENERAL LIABILITY INSURANCE (GL 00 00 00 00)

COVERAGE

AMOUNT AND BASIS OF COVERAGE

PROPERTY DAMAGE

\$1,000 PER OCCURRENCE

AMENDATORY ENDORSEMENT - ADDITIONAL DEFINITION (GL 00 19 07 78)

AMENDATORY ENDORSEMENT (GL 00 32 04 84)

THE AUDIT PERIOD SHALL BE ANNUALLY

END OF GENERAL LIABILITY DECLARATIONS.

☒ INSURED'S COPY

☐ BRANCH COPY

COMMERCIAL COVERAGE

POLICY AMENDMENT

PLEASE READ NO. 21. EMPLOYEE BENEFITS LIABILITY INSURANCE—LIMITED COVERAGE CAREFULLY AS IT IS ON A CLAIMS MADE BASIS.

Such insurance as is afforded by the Policy for Comprehensive General Liability Insurance or Storekeeper's Insurance is amended to include the following additions and extensions of coverage:

1. CONTRACTUAL LIABILITY COVERAGE

(A) The definition of **incidental contract** is extended to include any oral or written contract or agreement relating to the conduct of the **named insured's** business.

(B) The insurance afforded with respect to liability assumed under an **incidental contract** is subject to the following additional exclusions:

(1) to **bodily injury** or **property damage** for which the **insured** has assumed liability under any **incidental contract**, if such injury or damage occurred prior to the execution of the **incidental contract**;

(2) if the **insured** is an architect, engineer or surveyor, to **bodily injury** or **property damage** arising out of the rendering of or the failure to render professional services by such **insured**, including

(a) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

(b) supervisory, inspection or engineering services;

(3) if the indemnitee of the **insured** is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

(a) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

(b) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury** or **property damage**;

GENERAL LIABILITY

General Liability Multi-Cover® Plus

105201—09-83

(4) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;

(5) to **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements, or easement or license agreements in connection with vehicle or pedestrian private railroad crossings at grade.

(C) The following exclusions applicable to Coverages A (Bodily Injury) and B (Property Damage) do not apply to this Contractual Liability Coverage: (b), (c) (2), (d) and (e).

(D) the following additional condition applies:

Arbitration

The company shall be entitled to exercise all of the **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

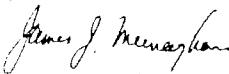
2. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

(A) The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies, sustained by any person or organization and arising out of the conduct of the **named insured's** business, within the **policy territory**, and the company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11 XCI


PRESIDENT

(B) This insurance does not apply:

(1) to liability assumed by the **insured** under any contract or agreement;

(2) to **personal injury** or **advertising injury** arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **insured**;

(3) to **personal injury** or **advertising injury** arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the **named insured** was made prior to the effective date of this insurance;

(4) to **personal injury** or **advertising injury** arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the **insured** with knowledge of the falsity thereof;

(5) to **personal injury** or **advertising injury** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in the declarations of the policy as a **named insured**;

(6) to **advertising injury** arising out of

(a) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

(b) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

(c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

(7) with respect to **advertising injury**

(a) to any **insured** in the business of advertising, broadcasting, publishing or telecasting, or

(b) to any injury arising out of any act committed by the **insured** with actual malice.

(C) Limits of Liability

Regardless of the number of (1) **insureds** hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of **personal injury** or **advertising injury**, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of liability stated in this endorsement as "aggregate".

(D) Additional Definitions

"**Advertising Injury**" means injury arising out of an offense committed during the policy period occurring in

the course of the **named insured's** advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"**Personal Injury**" means injury arising out of one or more of the following offenses committed during the policy period:

(1) false arrest, detention, imprisonment, or malicious prosecution;

(2) wrongful entry or eviction or other invasion of the right of private occupancy;

(3) a publication or utterance

(a) of a libel or slander or other defamatory or disparaging material, or

(b) in violation of an individual's right of privacy;

except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the **named insured** shall not be deemed **personal injury**.

3. PREMISES MEDICAL PAYMENTS COVERAGE

The company will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of (a) a condition in the **insured premises**, or (b) operations with respect to which the **named insured** is afforded coverage for **bodily injury** liability under the policy.

This insurance does not apply:

(A) to **bodily injury**

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of

(a) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or

(b) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**;

(2) arising out of

(a) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity, or

(b) the operation or use of any snowmobile or trailer designed for use therewith;

(i) owned or operated by or rented or loaned to any **insured**, or

(ii) operated by any person in the course of his employment by any insured;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(a) any watercraft owned or operated by or rented or loaned to any **insured**, or

(b) any other watercraft operated by any person in the course of his employment by any **insured**;

but this exclusion does not apply to watercraft while ashore on the **insured premises**;

(4) arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to the **named insured**;

(B) to bodily injury

(1) included within the **completed operations hazard** or the **products hazard**;

(2) arising out of operations performed for the **named insured** by independent contractors other than

(a) maintenance and repair of the **insured premises**, or

(b) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;

(3) resulting from the selling, serving or giving of any alcoholic beverage

(a) in violation of any statute, ordinance or regulation,

(b) to a minor,

(c) to a person under the influence of alcohol, or

(d) which causes or contributes to the intoxication of any person,

if the **named insured** is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or if not so engaged, is an owner or lessor of premises used for such purposes, but only part (a) of this exclusion (B) (3) applies when the **named insured** is such an owner or lessor;

(4) due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;

(C) to bodily injury

(1) to the **named insured**, any partner thereof, any tenant or other person regularly residing on the **insured premises** or any employee of any of the foregoing if the **bodily injury** arises out of and in the course of his employment therewith;

(2) to any other tenant if the **bodily injury** occurs on that part of the **insured premises** rented from the **named insured** or to any employee of such a tenant if the **bodily injury** occurs on the tenant's part of the **insured premises** and arises out of and in the course of his employment for the tenant;

(3) to any person while engaged in maintenance and repair of the **insured premises** or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such **bodily injury** are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest whether on a formal or informal basis;

(6) if the **named insured** is a club, to any member of the **named insured**;

(7) if the **named insured** is a hotel, motel, or tourist court, to any guest of the **named insured**;

(D) to any **medical expense** for services by the **named insured**, any employee thereof or any person or organization under contract to the **named insured** to provide such services.

LIMITS OF LIABILITY

The limit of liability for Premises Medical Payments Coverage is \$1,000 each person unless otherwise stated in the schedule of this endorsement. The limit of liability applicable to "each person" is the limit of the company's liability for all **medical expense** for **bodily injury** to any one person as the result of any one accident; but subject to the above provision respecting "each person", the total liability of the company under Premises Medical Payments Coverage for all **medical expense** for **bodily injury** to two or more persons as the result of any one accident shall not exceed the limit of **bodily injury** liability stated in the policy as applicable to "each occurrence".

When more than one **medical payments** coverage afforded by the policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

ADDITIONAL DEFINITIONS

When used herein:

"**insured premises**" means all premises owned by or rented to the **named insured** with respect to which the **named insured** is afforded coverage for **bodily injury** liability under this policy, and includes the ways immediately adjoining on land;

"**medical expense**" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services.

ADDITIONAL CONDITION

Medical Reports; Proof and Payment of Claim

As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records.

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The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

4. HOST LIQUOR LAW LIABILITY COVERAGE

Exclusion (h) does not apply with respect to liability of the **insured** or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the **named insured's** business, provided the **named insured** is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

5. FIRE AND/OR EXPLOSION LEGAL LIABILITY COVERAGE—REAL PROPERTY

With respect to **property damage** to structures or portions thereof rented to or leased to the **named insured**, including fixtures permanently attached thereto, if such **property damage** arises out of fire or explosion.

(A) All of the exclusions of the policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the **insured** under any contract or agreement.

(B) The limit of **property damage** liability as respects this Fire and/or Explosion Legal Liability Coverage—Real Property is \$100,000 each occurrence unless otherwise stated in the schedule of this endorsement.

(C) The Fire and/or Explosion Legal Liability Coverage—Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof), available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

6. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (Including Completed Operations)

The insurance for **property damage** liability applies, subject to the following additional provisions:

(A) Exclusions (k) and (o) are replaced by the following:

(1) to property owned or occupied by or rented to the **insured**, or, except with respect to the use of **elevators**, to property held by the **insured** for sale or entrusted to the **insured** for storage or safekeeping;

(2) except with respect to liability under a written side-track agreement or the use of **elevators**

(a) to property while on premises owned by or rented to the **insured** for the purpose of having operations performed on such property by or on behalf of the **insured**,

(b) to tools or equipment while being used by the **insured** in performing his operations,

(c) to property in the custody of the **insured** which is to be installed, erected or used in construction by the **insured**,

(d) to that particular part of any property, not on premises owned by or rented to the **insured**,

(i) upon which operations are being performed by or on behalf of the **insured** at the time of the **property damage** arising out of such operations, or

(ii) out of which any **property damage** arises, or

(iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the **insured**;

(3) with respect to the **completed operations hazard** and with respect to any classification stated in the policy or in the company's manual as "including completed operations", to **property damage** to work performed by the **named insured** arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

(B) The Broad Form Property Damage Liability Coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

7. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

The definition of **bodily injury** is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

(A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith, or

(B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

(1) expenses incurred by the **insured** for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly;

(2) any **insured** engaged in the business or occupation of providing any of the services described under 7 (A) and (B) above;

(3) injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under 7 (A) and (B) above.

8. NON-OWNED WATERCRAFT LIABILITY COVERAGE (50 feet and under in length)

Exclusion (e) does not apply to any watercraft 50 feet and under in length provided such watercraft is neither owned by the **named insured** nor being used to carry persons or property for a charge.

Where the **insured** is, irrespective of this coverage, covered or protected against any loss or claim which would otherwise have been paid by the company under this endorsement, there shall be no contribution or participation by this company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise.

9. LIMITED WORLDWIDE LIABILITY COVERAGE

The definition of **policy territory** is amended to include the following:

(4) Anywhere in the world with respect to **bodily injury, property damage, personal injury or advertising injury** arising out of the activities of any **insured** permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or possessions or Canada.

Such insurance as is afforded by paragraph (4) above shall not apply:

(a) to **bodily injury or property damage** included within the **completed operations hazard** or the **products hazard**;

(b) to **Premises Medical Payments Coverage**.

10. ADDITIONAL PERSONS INSURED

As respects **bodily injury, property damage and personal injury and advertising injury** coverages, under the provision "Persons Insured", the following are added as **insureds**:

(A) Spouse—Partnership—If the **named insured** is a partnership, the spouse of a partner but only with respect to the conduct of the business of the **named insured**;

(B) Employee—Any employee (other than executive officers) of the **named insured** while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

(1) to **bodily injury or personal injury** to another employee of the **named insured** arising out of or in the course of his employment;

(2) to **personal injury or advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

(3) to **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any

purpose by another employee of the **named insured**, or by the **named insured** or, if the **named insured** is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

11. AMENDMENT OF OCCURRENCE DEFINITION

The definition of **occurrence** includes any intentional act by or at the direction of the **insured** which results in **bodily injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

12. AUTOMATIC COVERAGE—NEWLY ACQUIRED ORGANIZATIONS (120 DAYS)

The word **insured** shall include as **named insured** any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to **bodily injury, property damage, personal injury or advertising injury** with respect to which such new organization under this policy is also an **insured** under any other similar liability or indemnity policy or would be an **insured** under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 120 days from the date any such organization is acquired or formed by the **named insured**.

13. INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT

Paragraphs (a) and (b) of the condition entitled "Insured's Duties in the Event of Occurrence, Claim or Suit" are deleted and replaced by the following:

(A) In the event of an occurrence, written notice containing particulars sufficient to identify the insured, and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the **insured** to the company or any of its authorized agents as soon as practicable after knowledge of such occurrence is had by the **named insured**, if an individual; by a partner, if the **named insured** is a partnership; or by an executive officer or insurance manager, if the **named insured** is a corporation.

(B) If a claim is made or suit is brought against the **insured**, every demand, notice, summons or other process received by the **insured** or its representative shall be immediately forwarded to the company; however, this condition will not be considered breached unless failure to forward such demand, notice, summons or other process to the company occurs after knowledge of such is had by the **named insured**, if an individual; by a partner, if the **named insured** is a partnership; or by an executive officer or insurance manager, if the **named insured** is a corporation.

14. NOTICE OF ACCIDENT OR OCCURRENCE

It is agreed that where the **insured** reports any occurrence to its Workers' Compensation insurer which later develops into a third party liability claim, coverage for which is provided by the policy to which this policy amendment is attached, failure to report such accident to the Company at the time of occurrence shall not be deemed to be in violation of general conditions entitled "Notice to the Company". It is further agreed that the **insured** shall give notification of the aforesaid occurrence to the Company as soon as it is made aware of the fact that the occurrence may be a third party liability claim rather than a Workers' Compensation claim.

15. EXTENDED BODILY INJURY

The definition of **bodily injury** is amended to read:

(1) **Bodily injury** means bodily injury, sickness, disease, death, or, if arising out of the foregoing, physical or mental disability, shock, mental anguish, emotional upset and humiliation.

16. BROADENED NAMED INSURED

It is understood and agreed that the **named insured** includes all subsidiary companies, corporations, firms, or organizations as now or hereafter constituted for which the named insured has the responsibility of placing insurance and for which coverage is not otherwise more specifically provided, but only while the person or organization named in the declarations owns, during the policy period, a controlling interest in such entity of **51% or more** of the stock or assets.

Coverage for additional entities is limited to those entities incorporated or organized under the laws of a **state of the United States of America**.

It is further agreed that the first person or organization named in Item 1 of the Declarations, by acceptance of this policy amendment is authorized to act and agrees to act on behalf of all persons or organizations insured under this policy with respect to matters pertaining to the insurance afforded by this policy, such as the giving and receiving of notice of cancellation, the payments of premium, and the receiving of return premiums, if any.

17. ALIENATED PREMISES

Exclusion (1) is deleted.

18. CROSS LIABILITY

The inclusion of more than one person, organization, or entity as insured under this policy shall not in any way affect the rights of any such person, organization, or entity as respects any claim, demand, suit or judgment made, brought or recovered, by or in favor of any other insured. This policy shall protect each person, organization, or entity in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the Company's Liability as set forth elsewhere in this policy beyond the amount for which the

Company would have been liable if only one person, organization, or entity has been named as insured.

19. SNOWMOBILE LIABILITY COVERAGE

Exclusion (c) (2) is deleted with respect to **bodily injury** or **property damage** arising out of the operation or use of a snowmobile or trailer designed for use therewith in the conduct of the **named insured's** business.

20. DISCRIMINATION LIABILITY—OTHER THAN EMPLOYMENT OR PRE EMPLOYMENT-RELATED DISCRIMINATION

Limit of Liability \$50,000 Aggregate

I. The Company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as **damages** because of injury sustained by any natural person and arising out of **discrimination** committed in the conduct of the named insured's business, if such offense is committed during the policy period within the United States of America, its territories or possessions, or Canada, and the Company shall have the right and duty to defend any suit against the insured seeking **damages** on account of such injury even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

2. Exclusions

This insurance does not apply:

(A) to bodily injury, sickness or disease of a natural person, but injury to the feelings or reputation of a natural person shall not constitute bodily injury;

(B) to liability assumed by the insured under any contract or agreement;

(C) to injury arising out of the willful violation of any federal, state, or municipal law, regulation, code, statute or ordinance committed by or with the knowledge or consent of any insured;

(D) to injury sustained by any person as a result of **discrimination** directly or indirectly related to the **employment or prospective employment** of such person by the named insured; or

(E) to any **discrimination** by or at the direction of, or with the knowledge or consent of any insured as defined in paragraph 3 **Persons Insured** of this coverage part.

3. Persons Insured

Each of the following is an insured under this insurance to the extent set forth below:

(A) if the named insured is designated in the declarations as an individual, the person so designated and his spouse;

(B) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint

venture so designated and any partner or member thereof but only with respect to his liability as such;

(C) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such.

This insurance does not apply to the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

4. Limits Of Liability

Regardless of the number of (1) insureds under this policy, (2) persons who suffer **discrimination**, or (3) claims made or suits brought on account of such injury, the total limit of the Company's liability under this coverage for all **damages** shall not exceed the limit of liability stated in the Schedule as "aggregate".

5. Additional Definitions

When used in reference to this insurance:

(A) "**damages**" means only those damages which are payable to an individual claimant because of any **discrimination** to which this insurance applies, and shall not include any fine or penalty levied or imposed by a governmental entity because of the occurrence of such discrimination;

(B) "**discrimination**" means an act or omission whereby a person is favored or disfavored, in violation of law, on the basis of the person's race, color, ethnic origin, gender or religion.

(C) "**injury**" means embarrassment or humiliation, mental or emotional distress, or, when resulting from any of the foregoing, physical illness, impairment, earning capacity or monetary loss.

21. EMPLOYEE BENEFITS LIABILITY INSURANCE—LIMITED COVERAGE

THE EMPLOYEE BENEFITS LIABILITY INSURANCE—LIMITED COVERAGE—COVERS LIABILITY ARISING OUT OF "ADMINISTRATION" AS DEFINED. IT DOES NOT FULLY PROTECT THE INSURED FROM LOSS ARISING OUT OF LIABILITY CREATED BY THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 OR SIMILAR ACT.

THIS INSURANCE IS ON A CLAIMS MADE BASIS. REFER TO PARAGRAPH 5 OF THIS COVERAGE

LIMIT OF LIABILITY

\$25,000. Each Employee

25,000. Aggregate

Deductible Amount

\$ 1,000. Each Employee

1. Coverage Agreement

The Company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages on account of any claim for injury caused by unintentional negligent act or omission in the **administration** of the **named insured's employee benefit program**, and the Company shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

(a) to any dishonest, fraudulent, criminal or malicious act or omission on the part of any insured;

(b) to **bodily injury, property damage or personal injury**;

(c) to any claim for failure of performance of contract by any insurer;

(d) to any claim based on insufficiency of funds to meet any obligation under any plan included in the **employee benefit program**;

(e) to any claim based on (1) failure of any investment to perform as represented by any insured, or (2) advice given to any person to participate or not participate in any plan included in the **employee benefit program**;

(f) to any claim based on the failure of the **named insured** to comply with the mandatory provisions of any law concerning workers' compensation, unemployment insurance, social security or disability benefits; or under any similar law;

(g) to liability of any insured as a fiduciary under the provisions of the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1954, as amended.

2. Persons Insured

Each of the following is an insured to the extent set forth below:

(a) the **named insured**;

(b) the executive officer or employee of the **named insured** authorized to administer the **named insured's employee benefit program**.

3. Limits of Liability

Regardless of the number of (a) insureds under the policy, (b) acts or omissions causing injury for which coverage is afforded under this policy, (c) persons sustaining any such injury, (d) claims made or suits brought on account of any such injury, or (e) plans included in the **named insured's**

employee benefit program, the Company's liability is limited as follows:

The Limit of Liability stated in the Declarations as applicable to this Coverage Part as applicable to "each employee" is the total limit of the Company's liability for all damages because of injury to which this insurance applies sustained by any one **employee**, including such **employee's** dependents and beneficiaries. Subject to the foregoing provision as respects "each employee," the total liability of the Company for all damages to which this insurance applies shall not exceed the Limit of Liability stated in the Declarations as applicable to this Coverage Part as "aggregate." If the policy is for a term in excess of one year, the aggregate Limit of Liability shall apply separately to each consecutive annual period thereof. If the **named insured** elects to exercise the option described in Additional Condition C. hereafter, the aggregate Limit of Liability shall apply separately, but not cumulatively, to such extended reporting period, as defined therein.

Deductible

Subject to the foregoing, the liability of the Company with respect to "each employee" shall be only for the amount of each claim that is in excess of the deductible amount stated in the Declarations as applicable to this Coverage Part as applicable to "each employee."

The terms of this insurance, including those with respect to notice of claim or suit, the Company's right to investigate, negotiate and settle any claim or suit, and the Company's right and duty to defend, apply irrespective of the application of the deductible amount.

The Company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **named insured** shall promptly reimburse the Company for such part of the deductible amount as has been paid by the Company.

4. Additional Definitions

When used in reference to this insurance:

"Employee benefit program" means one or more of the following types of insurance or plans maintained by the **named insured** solely for the benefit of **employees** of the **named insured**:

(a) group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans, unemployment insurance, social security benefits, workers' compensation and disability benefits insurance; or

(b) the type of insurance or plan described in the Declarations forming part of this Coverage Part.

"Administration" means performance of the following ministerial functions for an **employee benefit program**:

(a) Application of rules determining eligibility for participation of benefits;

(b) calculation of service and compensation credits for benefits;

(c) preparation of **employee** communications material;

(d) maintenance of participants' **service** and employment records;

(e) preparation of reports required by government agencies;

(f) calculation of benefits;

(g) orientation of new participants and advising participants of their rights and options under the plan;

(h) collection of contributions and application of contributions as provided in the plan;

(i) preparation of reports concerning participants' benefits, and

(j) processing of claims.

"Employee" means an officer or employee of the **named insured**, whether actively employed, disabled or retired.

"Personal injury" means injury arising out of one or more of the following offenses:

(a) False arrest, detention or imprisonment, or malicious prosecution;

(b) the publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy;

(c) wrongful entry or eviction, or other invasion of the right of private occupancy; or

(d) discrimination.

5. Policy Period; Territory

This insurance applies only to claims first brought against the **insured** during the policy period within the United States of America, its territories or possessions or Canada, provided, that as respects any claim based on or arising out of an act or omission occurring prior to the effective date of this insurance, the **insured** shall have had no knowledge, as of said effective date, of any act or omission which might be expected to result in such claim.

6. Additional Conditions

a. **Notice.** Upon the **insured's** becoming aware of any act or omission which may give rise to an injury covered hereunder, written notice shall be given by or on behalf of the **insured** in accordance with the condition of the policy describing the **"Insured's Duties in the Event of an Occurrence, Claim or Suit Condition."**

b. **Other Insurance.** The insurance afforded by this Coverage Part shall be excess over any other valid and collectible similar insurance available to the **insured**.

c. **Extended Reporting Period Option.** If the Company or the **named insured** shall terminate or not renew the insurance afforded by this Coverage Part for any reason other than non-payment of premium by the **named insured**, the **named insured** may elect to purchase a one year extension of time to report claims, hereafter called

extended reporting period, but only as respects claims which are brought against the **insured** during the extended reporting period on account of acts or omissions which occurred prior to the termination date of this Coverage Part. To exercise this option, the **named insured** shall give written notice of such election to the Company within 30 days following such termination date and shall pay, when due, the premium required by the Company's rules, rates and rating plans then in effect.

22. LIBERALIZATION PROVISION

If the company files any forms, endorsements, rules or regulations (for use with this insurance program) while this insurance is in force which could broaden or extend it without an additional premium charge, such broadened or extended coverage(s) will automatically be provided as of the date the revision is legally effective.

COMMERCIAL COVERAGE

GENERAL LIABILITY

Amendatory Endorsement

POLICY AMENDMENT

GL 00 32 04 84

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

**COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE
STOREKEEPERS INSURANCE
SMP LIABILITY INSURANCE**

It is agreed that the exclusion relating to **bodily injury** to any employee of the **insured** is deleted and replaced by the following:

This insurance does not apply:

(i) to **bodily injury** to any employee of the **insured** arising out of and in the course of his employment by the **insured** for which the **insured** may be held liable as an employer or in any other capacity;

(ii) to any obligation of the **insured** to indemnify or contribute with another because of damages arising out of the **bodily**

injury; or

(iii) to **bodily injury** sustained by the spouse, child, parent, brother, or sister of an employee of the **insured** as a consequence of **bodily injury** to such employee arising out of and in the course of his employment by the **insured**;

This exclusion applies to all claims and suits by any person or organization for damages because of such **bodily injury** including damages for care and loss of services.

This exclusion does not apply to liability assumed by the **insured** under an **incidental contract**.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

IF XCL

William H. Halvorsen
PRESIDENT

STOCK NO. GL 00 32 04 84

COMMERCIAL COVERAGE

POLICY COVERAGE

These policy provisions, together with all applicable terms, conditions and exclusions of the policy and the coverage parts and endorsements made a part hereof by designation in the Declarations, complete the Liability Coverage of this policy.

COVERAGE PART — COMPREHENSIVE GENERAL LIABILITY INSURANCE

1. INSURING AGREEMENT

The Company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies, caused by an occurrence, and the Company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

2. EXCLUSIONS

This insurance does not apply:

(a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;

(b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of (1) any automobile or aircraft owned or operated by or rented or loaned to any insured, or (2) any other automobile or aircraft operated by any person in the course of his employment by any insured; but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;

(c) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;

(d) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;

(e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of (1) any watercraft owned or operated by or rented or loaned to any insured, or (2) any other watercraft operated by any person in the course of his employment by any insured; but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the named insured;

(f) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

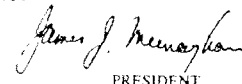
(g) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to (1) liability assumed by insured under an incidental contract, or (2) expenses for first aid under the Supplementary Payments provision;

(h) to bodily injury or property damage for which the insured or his indemnitee may be held liable (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or (2) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person; but part (ii) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11 XCL


PRESIDENT

(i) to any obligation for which the insured or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;

(j) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;

(k) to property damage to (1) property owned or occupied by or rented to the insured, (2) property used by the insured, or (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control; but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured;

(l) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;

(m) to loss of use of tangible property which has not been physically injured or destroyed resulting from (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

(n) to property damage to the named insured's products arising out of such products or any part of such products;

(o) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use to the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

3. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

(a) if the named insured is designated in the Declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;

(b) if the named insured is designated in the Declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(c) if the named insured is designated in the Declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(d) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and

(e) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any other motor vehicle registration law, (i) an employee of the named insured while operating any such equipment in the course of his employment, and (ii) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an insured under this paragraph (e) with respect to: (1) bodily injury to any fellow employee of such person injured in the course of his employment, or (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (ii).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

4. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage or (4) units of mobile equipment to which this policy applies, the Company's liability is limited as follows:

(a) Separate limits of liability for bodily injury liability and property damage liability.

The total liability of the Company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the Declarations as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the total liability of the Company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the Declarations as "aggregate."

The total liability of the Company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the Declarations as applicable to "each occurrence."

Subject to the above provision respecting "each occurrence," the total liability of the Company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the Declarations as "aggregate": (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below; (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures; (3) all property damage included within the products hazard and all property damage included within the completed operations hazard.

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

(b) Combined single limit of liability for bodily injury and property damage liability.

The total liability of the Company for all damages under all bodily injury liability and property damage liability coverages of this policy because of bodily injury or property damage sustained by one or more persons or organizations as a result of any one occurrence shall not exceed the limit of liability stated in the Declarations for "each occurrence."

Subject to the above provision respecting "each occurrence," the total liability of the Company for all damages arising out of the products hazard and completed operations hazard shall not exceed the limits of liability stated in the Declarations as "aggregate."

Subject to the above provision respecting "each occurrence," the total liability of the Company for all damages because of all property damage to which the policy applies

(i) arising out of premises or operations rated on a remuneration basis or contractors equipment rated on a receipts basis, including liability assumed under any incident-

tal contract relating to such premises or operations or

(ii) arising out of and occurring in the course of operations, other than maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures, performed for the named insured by independent contractors and general supervision thereof by the named insured including liability assumed under any incidental contract relating to such operations

shall not exceed the limit of liability stated in the Declarations as "aggregate." Said aggregate limit of liability shall apply separately to (i) and (ii) and under each separately to each project away from premises owned by or rented to the named insured.

With respect to any occurrence for which notice of this policy is given in lieu of security or when this policy is certified as proof of financial responsibility for the future under the provisions of the motor vehicle financial responsibility law of any state, province or other territorial jurisdiction, the stated limits of liability as respects each occurrence shall be applied to provide the separate limits of liability required by such law for bodily injury liability and property damage liability to the extent of the coverage required by such law, but the separate application of such limits shall not increase the total limit of the Company's liability.

For the purpose of determining the limit of the Company's liability under (a) or (b) above, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

5. POLICY PERIOD; TERRITORY

This insurance applies only to bodily injury or property damage which occurs during the Policy Period within the policy territory.

6. When used as a premium basis:

"admissions" means the total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes;

"cost" means the total cost to the named insured with respect to operations performed for the named insured during the policy period by independent contractors of all work let or sub-let in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of such work, whether furnished by the owner, contractor or subcontractor, including all fees, allowances, bonuses or commissions made, paid or due;

"receipts" means the gross amount of money charged by the named insured for such operations by the named insured or by others during the policy period as are rated on a receipts basis other than receipts from telecasting, broadcasting or motion pictures, and includes taxes, other than taxes which the named insured collects as a separate

**COMMERCIAL LIABILITY
COVERAGE**

POLICY AMENDMENT

GENERAL LIABILITY

Amendatory Endorsement—Additional Definition

GL 00 19 07 78

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

GENERAL LIABILITY INSURANCE AND SMP LIABILITY INSURANCE

It is agreed that the following definition is added:

“loading or unloading”, with respect to an **automobile**, means the handling of property after it is moved from the place where it is accepted for movement into or onto an **automobile** or while it is in or on an **automobile** or while it is being moved from an **automobile** to the place where it is

finally delivered, but “loading or unloading” does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the **automobile**.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE **FIREMAN'S FUND INSURANCE COMPANIES** AS NAMED IN THE POLICY

11XCL

Myron De Bane
PRESIDENT

STOCK NO. GL 00 19 07 78



SPECIAL ENDORSEMENT - AUTO DISMANTLERS

INSURED AADLEN BROS. AUTO WRECKING, ETAL	POLICY NUMBER 8-09 MXG 80077504
PRODUCER 04 138 451 CALIF. COASTAL INS.	EFFECTIVE DATE 7-10-85 1h 4-16-85

FALSE PRETENSE COVERAGE

APPLICABLE ONLY TO COMMERCIAL AUTO SUPPLEMENT PHYSICAL DAMAGE INSURANCE. SUCH INSURANCE AS IS AFFORDED BY THE COMMERCIAL AUTO SUPPLEMENT IS SUBJECT TO THE FOLLOWING:

WE WILL PAY FOR LOSS TO A COVERED AUTO UNDER FALSE PRETENSE COVERAGE UP TO A LIMIT OF LIABILITY OF \$15,000. AS DEFINED BELOW.

A. "FALSE PRETENSE COVERAGE" MEANS A LOSS RESULTING FROM:

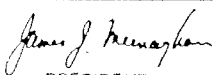
1. SOMEONE CAUSING YOU TO VOLUNTARILY PART WITH THE COVERED AUTO BY TRICK, SCHEME, OR UNDER FALSE PRETENSES PROVIDING YOU HAD LEGAL TITLE TO THE COVERED AUTO PRIOR TO LOSS.
2. YOUR ACQUIRING AN AUTO FROM A SELLER WHO DID NOT HAVE LEGAL TITLE.

B. PART VI - CONDITIONS IS CHANGED BY ADDING THE FOLLOWING CONDITION TO YOUR DUTIES AFTER ACCIDENT OR LOSS.

YOU MUST OBTAIN A WARRANT, AS SOON AS PRACTICABLE, FOR THE ARREST OF ANYONE CAUSING A LOSS DEFINED WITHIN THE FALSE PRETENSE COVERAGE AS DEFINED IN SECTION 1, OF THIS ENDORSEMENT.

C. THE FOLLOWING DEDUCTIBLE PROVISIONS APPLY TO FALSE PRETENSE COVERAGE.

1. FALSE PRETENSE COVERAGE IS SUBJECT TO A \$250. DEDUCTIBLE.
2. IN ADDITION TO THE DEDUCTIBLE IN A., WE WILL DEDUCT THE ACTUAL VALUE OF ANY PROPERTY DELIVERED TO YOU IN FULL OR PARTIAL PAYMENT FOR TITLE TO OR POSSESSION OF A COVERED AUTO.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY	 PRESIDENT IO.X	COUNTERSIGNATURE OF AUTHORIZED AGENT
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350250-4/84

Policyholder MESSAGE

PROPERTY-GARD AND PROPERTY-GARD COMPREHENSIVE

The PROPERTY-GARD and PROPERTY-GARD COMPREHENSIVE policies provide unique insurance coverage designed to meet the special needs of our Commercial Insureds. You should read the entire policy and the declarations pages carefully to determine what is and what is not covered.

In many respects the policy provides broader coverage than previously offered by Fireman's Fund Insurance Companies or other insurers. It also contains exclusions concerning Weather Conditions, Acts or Decisions, and Faulty Design, Planning or Construction that clarify our intent as respects Earthquake, Flood, Collapse and certain other causes of loss.

Should you need further assistance in reviewing this policy please contact your insurance agent immediately.

GARAGE LIABILITY INSURANCE - POLLUTION EXCLUSION

INSURED AADLEN BROS. AUTO WRECKING, ETAL	POLICY NUMBER 8-09 MXG 80077504
PROD. NO. 04-138-451 CALIF. COASTAL INS. 7-10-85 1h	EFFECTIVE DATE 4-16-85

It is agreed that the exclusion

"bodily injury or property damage caused by the dumping, discharge or escape of irritants, pollutants, or contaminants. This exclusion does not apply if the discharge is sudden and accidental."

is replaced by the following:

Pollution

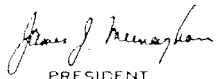
- a. Bodily injury or property damage arising out of the actual, alleged or threatened dumping, discharge, dispersal, release or escape of pollutants:
 - o from any auto, unless sudden and accidental;
 - o at or from premises you own, rent, or occupy;
 - o which are at any time handled, stored, treated, disposed of, or processed as waste by or from you or any person or organization for whom you may be legally responsible, or
 - o at or from any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations;
 - o if the pollutants are brought on or to the site or location in connection with such operations; or
 - o if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the pollutants.
- b. To any loss, cost, or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids/alkalis chemical and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

SIGNATURE OF INSURED

DATE

ED. 2/85

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY	 PRESIDENT 10-X	COUNTERSIGNATURE OF AUTHORIZED AGENT
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180001— POL EXC

COMMERCIAL COVERAGE

GENERAL LIABILITY

Pollution Exclusion

POLICY AMENDMENT

GL 21 33 02 85

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

(1) to **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

(a) at or from premises owned, rented or occupied by the **named insured**;

(b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;

(c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or

(d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:

(i) if the pollutants are brought on or to the site or location in connection with such operations; or

(ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(2) to any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

SIGNED & ACCEPTED BY: _____

Signature of Insured

DATE: _____

INSURED: AADLEN BROS AUTO WRECKING, ETAL
EFFECTIVE DATE: 4-16-85
PRODUCER: CALIF. COASTAL INS. 04 138 451
POLICY # 8-09 MXG 80077504

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

William H. Shubert

EXCL

PRESIDENT

STOCK NO. GL 21 33 02 85

COMMERCIAL GENERAL
COVERAGE

GENERAL LIABILITY

Deductible Liability Insurance

POLICY AMENDMENT

GL 03 00 07 81

IF THE FOLLOWING INFORMATION IS NOT COMPLETE, REFER TO THE APPROPRIATE DECLARATIONS ATTACHED TO THE POLICY.

INSURED	POLICY NUMBER	SEQUENTIAL NO.
PRODUCER	EFFECTIVE DATE	

DECLARATIONS

THIS ENDORSEMENT MODIFIES SUCH INSURANCE AS IS AFFORDED BY THE PROVISIONS OF THE POLICY RELATING TO THE FOLLOWING:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
SMP LIABILITY INSURANCE

COVERAGE	AMOUNT AND BASIS OF DEDUCTIBLE	
BODILY INJURY LIABILITY	\$	PER CLAIM
	\$	PER OCCURRENCE
PROPERTY DAMAGE	\$	PER CLAIM
	\$	PER OCCURRENCE

APPLICATION OF ENDORSEMENT (ENTER HERE ANY LIMITATIONS ON THE APPLICATION OF THIS ENDORSEMENT. IF NO LIMITATION IS ENTERED, THE DEDUCTIBLES APPLY TO ALL LOSS HOWEVER CAUSED)

It is agreed that:

1. The company's obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on behalf of the insured applies only to the amount of damages in excess of any deductible amounts stated in the Declarations as applicable to such

coverages, and the limit of liability shown in this policy as being applicable to "each **occurrence**" for such coverages shall be reduced by the amount of such deductible. The Limit of Liability shown in this policy as "aggregate", if any, for such coverages shall not be reduced by the application of such deductible amount.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

HXCI

Myron De Bane
PRESIDENT

2. The deductible amounts stated in the Declarations apply as follows:
- (a) **PER CLAIM BASIS**—If the deductible is on a “per claim” basis, the deductible amount applies under the Bodily Injury Liability or Property Damage Liability Coverage, respectively, to all damages because of **bodily injury** sustained by one person, or to all **property damage** sustained by one person or organization, as the result of any one **occurrence**.
 - (b) **PER OCCURRENCE BASIS**—If the deductible is on a “per occurrence” basis, the deductible amount applies under the Bodily Injury Liability or Property Damage Liability Coverage, respectively, to all damages because of all **bodily injury** or **property damage** as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain damages because of that **occurrence**.
3. The terms of the policy, including those with respect to (a) the company’s rights and duties with respect to the defense of suits and (b) the **insured**’s duties in the event of an **occurrence**, apply irrespective of the application of the deductible amount.
4. The company may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the **named insured** shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.
5. Any limitations on the application of this endorsement are as stated in the Declarations. If no limitation is specified, the deductibles apply to all loss however caused.

POLICY NUMBER 8 89 MXG 88077504

NAMED INSURED

AADLEN BROS. ALTO WRECKING. ETAL

PORTFOLIO POLICY (R)



OPTIONAL COVERAGES - INLAND MARINE

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES, LIMITS OF INSURANCE OR LIABILITY OR AMOUNTS OF INSURANCE AND ENDORSEMENTS SHOWN BELOW.

SCHEDULED PROPERTY FLOATER - SCHEDULED ARTICLES FORM
BROAD FORM

LIMIT OF LIABILITY \$ 16,000
CO-INSURANCE 90% AGGREGATE DEDUCTIBLE \$ 250

THE AMOUNT OF ANY LOSS OF OR TO ANY ITEM INSURED SHALL BE DETERMINED
AS SET FORTH IN CONDITION 3. VALUATION

ITEM	DESCRIPTION	AMOUNT OF INSURANCE	DEDUCTIBLE AMOUNT
001 79	4 TON FORKLIFT	\$ 10,000	\$ 250
002 72	CLARK FORKLIFT	\$ 2,500	\$ 250
003 72	AL JOHN FORKLIFT	\$ 2,500	\$ 250

END OF INLAND MARINE COVERAGE DECLARATION

☒ INSURED'S COPY

☐ BRANCH COPY

X

COMMERCIAL COVERAGE

INLAND MARINE

Scheduled Property Floater (Supplemental Policy)

POLICY COVERAGE

140559-01-83

A. APPLICATION OF INSURANCE

This supplemental policy is subject to the provisions set forth hereinafter and to the terms and conditions of other forms forming part of this supplemental policy.

The Company agrees with the Insured to afford insurance in accordance with such and so many of the Forms and Endorsements set forth in Coverage Forms and Endorsements as are specifically incorporated by reference through appropriate entry in the Declarations.

B. SUPPLEMENTAL DECLARATIONS

1. The Insured's name and address shall be as specified in the Declarations.

2. The effective period of this supplemental policy shall be the policy period specified in the Declarations.

C. CANCELLATION

This supplemental policy shall be cancelled in the same manner as specified in the "Cancellation" condition stated in the General Conditions section of the policy; provided,

however, cancellation of the policy of which this supplemental policy forms a part shall operate as cancellation of this supplemental policy.

D. EXCLUSIONS

The following War Risk Exclusion Clause and Nuclear Exclusion Clause shall be paramount and shall not be modified or superseded by any other provision included herein or endorsed hereon unless such other provision refers specifically to the risks excluded by the War Risk Exclusion Clause or Nuclear Exclusion Clause and expressly assumes said risks.

1. War Risk Exclusion Clause. The Company shall not be liable for any loss, caused directly or indirectly, by (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any governmental or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such governmental power, authority or forces; (2) any weapon of war employing atomic fission or radioactive force whether in time of

peace or war; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

2. Nuclear Exclusion Clause. The Company shall not be liable for loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this supplemental policy; however, subject to the foregoing and all provisions of this supplemental policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this supplemental policy.

E. CONDITIONS

1. Notice of Loss. The Insured shall as soon as practicable report in writing to the Company or its agent every loss,

damage or occurrence which may give rise to a claim under this supplemental policy and shall also file with the Com-

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11XCL

STOCK NO. 140559-01-83

Myron De Baur

PRESIDENT

PAGE ONE OF THREE

STOCK NO. 140559-01-83

pany or its agent within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

2. Examination Under Oath. The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

3. VALUATION. THE COMPANY SHALL NOT BE LIABLE BEYOND THE ACTUAL CASH VALUE OF THE PROPERTY AT THE TIME ANY LOSS OR DAMAGE OCCURS AND THE LOSS OR DAMAGE SHALL BE ASCERTAINED OR ESTIMATED ACCORDING TO SUCH ACTUAL CASH VALUE WITH PROPER DEDUCTION FOR DEPRECIATION, HOWEVER CAUSED, AND SHALL IN NO EVENT EXCEED WHAT IT WOULD THEN COST TO REPAIR OR REPLACE THE SAME WITH MATERIAL OF LIKE KIND AND QUALITY.

4. Settlement of Loss. All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.

5. No Benefit to Bailee. This insurance shall in nowise insure directly or indirectly to the benefit of any carrier or other bailee.

6. Subrogation or Loan. If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction and at the expense of the Company.

7. Loss Clause. Any loss hereunder shall not reduce the

amount of this supplemental policy, except in the event of payment of claim for total loss of an item specified in the Declarations. If claim is paid for total loss of one or more scheduled items, the unearned premium applicable to such items will be refunded to the Insured or applied to the premium due on item(s) replacing those on which the claim was paid.

8. Pair, Set or Parts. In the event of loss of or damage to:

a. any article or articles which are a part of a pair or set, the measure of loss of or damage to such article or articles shall be reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss, or damage be construed to mean total loss of the pair or set; or

b. any part of property covered consisting, when complete for use, of several parts, the Company shall only be liable for the value of the part lost or damaged.

9. Protection of Property. In case of loss, it shall be lawful and necessary for the Insured, his or their factors, servants and assigns, to sue, labor, and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Company, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Company proportionately to the extent of their respective interests.

10. Suit. No suit, action or proceeding for the recovery of any claim under this supplemental policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this supplemental policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

11. Appraisal. If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

12. Loss Payable Clause

Loss, if any, shall be adjusted with the Insured and Loss Payee specified in the Declarations.

13. Labels

In the event of loss or damage to labels, capsules or wrappers, the loss shall be adjusted on the basis of an amount sufficient to pay the cost of new labels, capsules or wrappers.

14. Other Insurance

If at the time of loss or damage there is available to a named or unnamed Insured or any other interested party any other insurance which would apply in the absence of this supplemental policy, the insurance under this sup-

plemental policy shall only as excess insurance over such other insurance.

15. Impairment of Recovery Rights

Any act or agreement by the Insured before or after loss or damage whereby any right of the Insured to recover in whole or in part for loss or damage to property covered hereunder against any carrier, bailee, or other party liable therefor, is released, impaired or lost, shall render this supplemental policy null and void, but the Company's right to retain or recover the premium shall not be affected. The Company is not liable for any loss or damage which, without its written consent, has been settled or compromised by the Insured.

F. SPECIAL STATE PROVISIONS

KANSAS. Suit. If this supplemental policy is issued in the State of Kansas, the words "five (5) years" are substituted for the words "twelve (12) months" in Condition 10.

TEXAS. Notice of Loss and Suit. If this supplemental policy is issued in the State of Texas, the words "ninety-one (91)" are substituted for the word "ninety (90)" in Condition 1 and the words "two (2) years and one (1) day" are substituted for the words "twelve (12) months" in Condition 10.

COMMERCIAL COVERAGE

INLAND MARINE

Scheduled Articles Floater

POLICY COVERAGE

135153-11-82

DECLARATIONS

1. Property Insured

This supplemental policy insures Scheduled Articles described in the Declarations to which this form is attached.

2. Property Excluded

This supplemental policy does not insure the following property or property otherwise eligible for coverage while in the situations described hereunder:

- a. Loss of or damage to accounts, bills, deeds, evidences of debt, letters of credit, passports, documents, railroad or other tickets, notes, securities, money, currency, bullion, precious stones, jewelry or other similar valuables, paintings, statuary and other works of art, manuscripts, mechanical drawings;
- b. Property while waterborne, unless on transporting land conveyances aboard any regular ferry operating on inland waterways;
- c. Property shipped to or from Alaska, Hawaii or Puerto Rico.

3. Territorial Limits

This supplemental policy covers only loss or damage occurring within the 48 contiguous states of the United States, The District of Columbia, Canada or within The State of Alaska or within The State of Hawaii.

4. Perils Insured. (Broad Form or Specified Perils Form, As Specified In The Declarations)

a. **Broad Form.** This supplemental policy insures against all risks of direct physical loss of or damage to the insured property from any external cause, except as otherwise provided.

b. **Specified Perils Form.** This supplemental policy insures against direct physical loss of or damage to the insured property caused by:

- (1) Fire or lightning;
- (2) Windstorm or hail; Explosion; Riot, riot attending a strike, civil commotion; Aircraft or objects falling therefrom; Vehicles, while the described property is not being transported, excluding vehicles owned or operated by the Insured, members of the Insured's household, or employees or agents of the Insured; Smoke;
- (3) Vandalism and malicious mischief;

(4) Collapse of bridges or culverts;

(5) Collision, upset or overturning of a vehicle on which the insured property is being transported;

(6) Collision with another object, upset or overturn, landslide or cave-in.

5. Perils Excluded

This supplement policy does not insure against:

a. Loss or damage which is due and confined to wear and tear, inherent vice, gradual deterioration, insects, vermin, freezing, dampness of atmosphere, extremes of temperature, mechanical or electrical breakdown or failure, unless such damage is the result of other loss covered by this policy;

b. Loss or damage caused by or resulting from delay, loss of market, loss of use, or interruption of business;

c. Loss or damage caused by or resulting from infidelity and dishonesty, either or both, of the Insured or any person or persons in the employ or service of the Insured whether or not such act or acts occurred during the regular hours of employment or service, or any person or persons to whom the property may be entrusted (carriers for hire excepted);

d. Unexplained loss, mysterious disappearance, or shortage disclosed upon taking inventory.

e. As respects **Broad Form** only:

Loss or damage caused by, resulting from, contributed to, or aggravated by flood, surface water, waves, tidal water, or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, or whether driven by wind or not. This exclusion shall not apply to property in due course of transit while in or on a transporting conveyance.

6. Limit of Liability

The maximum liability of the Company for any one loss, disaster, or casualty, including expenses and charges, or all combined; shall not exceed the Limit of Liability specified in the Declarations.

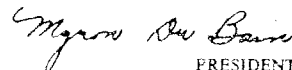
7. Deductible Clause

Claim for loss or damage to each item insured hereunder shall be adjusted separately, and from the total of all such

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

HXCL


PRESIDENT

adjusted claim, or the amount of insurance upon each item, whichever is the lesser, the deductible amount specified in the Declarations shall be deducted.

It is agreed, however, that the total amount to be deducted from the sum of all adjusted claims for loss or damage arising out of one occurrence shall not exceed the aggregate deductible amount also specified in the Declarations.

8. Coinsurance

The Company shall be liable in the event of loss for no greater proportion thereof than the amount hereby insured bears to an amount equal to the percentage specified in the Declarations applied to the actual cash value of the property insured hereunder at the time such loss shall happen. If this supplemental policy insures two or more items, this condition shall apply to each item separately.

9. Loss Payable Clause

Loss, if any, shall be adjusted with the Insured and made payable to the Insured and Loss Payee specified in the Declarations.

10. Labels

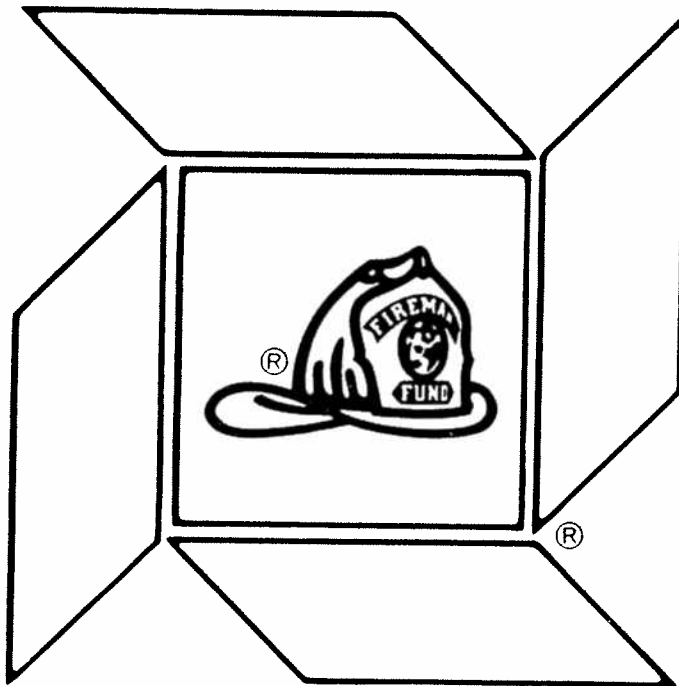
In the event of loss or damage to labels, capsules or wrappers, the loss shall be adjusted on the basis of an amount sufficient to pay the cost of new labels, capsules or wrappers.

11. Other Insurance

If at the time of loss or damage there is available to a named or unnamed Insured or any other interested party any other insurance which would apply in the absence of this supplemental policy, the insurance under this supplemental policy shall apply only as excess insurance over such other insurance.

12. Impairment of Recovery Rights

Any act or agreement by the Insured before or after loss or damage whereby any right of the Insured to recover in whole or in part for loss or damage to property covered hereunder against any carrier, bailee, or other party liable therefor, is released, impaired or lost, shall render this supplemental policy null and void, but the Company's right to retain or recover the premium shall not be affected. The Company is not liable for any loss or damage which, without its written consent, has been settled or compromised by the Insured.



AUTOMOBILE

YOUR BUSINESS AUTO POLICY INDEX

DECLARATIONS—Schedule of Coverages and Covered Autos

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PART II	WHICH AUTOS ARE COVERED AUTOS	Beginning on Page 2
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PART IV	LIABILITY INSURANCE	Beginning on Page 2
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	B. We Will Also Pay	
	C. We Will Not Cover—Exclusions	
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	E. Our Limit of Liability	
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	M. Punitive or Exemplary Damage Exclusion	
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT		Beginning on Page 7

ENDORSEMENTS

NOTE: Your coverage may be further modified by the attachment of Supplementary State Endorsements.

IMPORTANT: This *Index* is *not* part of the Business Auto Policy and does *not* provide coverage. Refer to the Business Auto Policy for the actual contractual provisions.

PLEASE READ THE BUSINESS AUTO POLICY CAREFULLY
Coverage is provided by the Company designated on the Declarations Page
Mailing Address: P.O. Box 3395, San Francisco, California 94119

POLICY NUMBER 2 99 HXS 00077504

NAMED INSURED

GAULEY BROS. AUTO WRECKING ETAL

PORTFOLIO POLICY (R)



BUSINESS AUTO POLICY DECLARATIONS
INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES, LIMITS OF LIABILITY AND
ENDORSEMENTS SHOWN BELOW.

ITEM TWO SCHEDULE OF COVERAGES AND COVERED AUTOS
(SEE SUPPLEMENTARY STATE ENDORSEMENTS WHERE APPLICABLE)

LIABILITY COVERAGES	LIMITS
COMBINED BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE	\$ 500,000 EACH ACCIDENT
AUTO MEDICAL PAYMENTS INSURANCE	\$ 2,000 EACH PERSON
UNINSURED MOTORISTS INSURANCE STATE OF: CALIFORNIA	\$ 50,000 EACH ACCIDENT

COVERAGES	SYMBOLS - COVERED AUTO DESCRIPTION (SEE PART 1 PARAGRAPH K)
LIABILITY - AVAILABLE	1. ANY AUTO
AUTO MEDICAL PAYMENTS	2. OWNED AUTOS ONLY
UNINSURED MOTORIST COVERAGE	2. OWNED AUTOS ONLY

PHYSICAL DAMAGE INSURANCE AT ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS
LESS, MINUS DEDUCTIBLE SHOWN BELOW UNLESS OTHERWISE SHOWN IN ITEM FOUR, SCHED-
ULE OF COVERED AUTOS YOU OWN:

COVERAGES	DEDUCTIBLES	SYMBOLS - COVERED AUTOS DESCRIPTION (SEE PART 1 PARAGRAPH K)
COMPREHENSIVE * APPLIES TO ALL LOSS EXCEPT FIRE AND LIGHTNING	\$ 250*	7. SPECIFICALLY DESCRIBED AUTOS

ITEM THREE - DESCRIPTION OF COVERED AUTOS (SEE PART 1, PARAGRAPH K)

ITEM FOUR - SCHEDULE OF COVERED AUTOS YOU OWN. SEE SEPARATE SCHEDULE ATTACHED.

THESE DECLARATIONS ARE ISSUED IN CONNECTION WITH AND ARE PART OF POLICY
FORM 140500-11-01 REV

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POLICY NUMBER 8 09 MXE 80077504

NAMED INSURED

AADLEN BROS. AUTO WRECKING, ETAL

PORTFOLIO POLICY 131



ENDORSEMENTS. ONLY THOSE ENDORSEMENTS SHOWN BELOW APPLY

DEDUCTIBLE PROPERTY DAMAGE LIABILITY INSURANCE
(CA 03 01 01 78) (CA 03 02 01 78)

\$1,000 DEDUCTIBLE

SUPPLEMENTARY STATE ENDORSEMENTS

CALIFORNIA

AMENDMENT OF PART IV - LIABILITY INSURANCE - CALIFORNIA
(BUSINESS AUTO POLICY AND TRUCKERS POLICY) (100000-11-62)

UNINSURED MOTORISTS INSURANCE - BODILY INJURY - CALIFORNIA (CA 21 54 07 84)

CHANGES IN POLICY - CANCELLATION (CA 02 04 01 88)

CHANGES IN POLICY - CALIFORNIA (CA 01 42 10 84)

END OF BUSINESS AUTO POLICY DETACHMENT

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POLICY NUMBER 8 09 MX6 80077504

Named Insured

AADLEN BROS. AUTO WRECKING, ETAL

Rating Period 04-15-05 to 04-16-06



SCHEDULE OF COVERED AUTOS YOU OWN

THE INSURANCE AFFORDED HEREUNDER IS ONLY WITH RESPECT TO SUCH AND SO MANY OF THE FOLLOWING COVERAGES FOR EACH AUTO NO. AS ARE INDICATED BY 'X'. THE LIMIT OF THE COMPANY'S LIABILITY AGAINST BODILY INJURY AND PROPERTY DAMAGE LIABILITY (LIAB), MEDICAL PAYMENTS (MED), UNINSURED MOTORISTS (UM), UNDERINSURED MOTORISTS (UIM), PERSONAL INJURY PROTECTION (PIP), PROPERTY PROTECTION INSURANCE (PFI), AND TOWING (TOW) COVERAGES SHALL BE AS STATED ON THE DECLARATIONS PAGE SUBJECT TO ALL THE TERMS OF THE POLICY HAVING REFERENCE THERETO. THE LIMIT OF THE COMPANY'S LIABILITY AGAINST COMPREHENSIVE (COMP), FIRE (F), THEFT (T), SPECIFIED PERILS (SP), LIMITED SPECIFIED PERILS (LSP) AND COLLISION (COLL) COVERAGES SHALL BE AS STATED HEREIN SUBJECT TO ALL THE TERMS OF THE POLICY HAVING REFERENCE THERETO. AS USED HEREIN 'ACV' MEANS ACTUAL CASH VALUE. 'DED' MEANS DEDUCTIBLE AND 'OTC' MEANS AUTOMOBILE PHYSICAL DAMAGE OTHER THAN COLLISION. THE COLLISION LIMIT OF LIABILITY IS ACTUAL CASH VALUE LESS THE DEDUCTIBLE AMOUNT SHOWN.

AUTO NO.	VEHICLE DESCRIPTION AND GARAGE LOCATION	VEHICLE ID NO.	COMP	OTC	OTC	OTC	COLL
			COV	ACV	Limit	DED	DED
0001	69 PFM TRIALER SUNVALLEY	6523CA CA 91352	COMP	ACV		\$ 250	
0002	70 BROW TRAILER SUNVALLEY	56733an CA 91352	COMP	ACV		\$ 250	
0003	72 CINDY TRAILER SUNVALLEY	164971L CA 91352	COMP	ACV		\$ 250	
0004	72 BAYSHORE HOUSE TRAILER SUNVALLEY	51625RU CA 91352	COMP	ACV		\$ 250	
0005	70 NAB-BA HOUSE TRAILER SUNVALLEY	186850 CA	COMP	ACV		\$ 250	
0006	75 CADILLAC 4L BUONO NORTH HOLLYWOOD	5164044Y CA 91604	COMP	ACV		\$ 250	
0007	75 CADILLAC SEDAN NORTH HOLLYWOOD	604911554Y CA 91604	COMP	ACV		\$ 250	
0008	76 FORD 1/2 TON P/U BEVERLY HILLS	F253615 CA 91604	COMP	ACV		\$ 250	
0009	81 CADILLAC DEVILLE NORTH HOLLYWOOD	166H0129107 CA 91604	COMP	ACV		\$ 250	

AUTO NO.	LIAB	MED	UM	UIM	PIP	PFI	OTC	COLL	TOW
0001	X	X	X				X		
0002	X	X	X				X		
0003	X	X	X				X		
0004	X						X		
0005	X						X		
0006	X	X	X				X		
0007	X	X	X				X		
0008	X	X	X				X		
0009	X	X	X				X		

SCHEDULES CONTINUED ON PAGE 2

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POLICY NUMBER 8 89 MXG 80077504

Named Insured

ADAMEN BRUS. AUTO WRECKING, ETAL

Rating Period 04-16-85 to 04-16-86



SCHEDULE OF COVERED AUTOS YOU OWN

AUTO NO.	YR	VEHICLE DESCRIPTION AND GARAGE LOCATION	VEHICLE ID NO.	OTC COV	OTC LIMIT	OTC DED	COLL DED
0010	77	FORD VAN	E23A90588	COMP	ACV	\$ 250	
		NORTH HOLLYWOOD	CA 91604				
0011	78	CHEVY CHEVELLE	1W27U31282	COMP	ACV	\$ 250	
		NORTH HOLLYWOOD	CA 91604				
0012	79	AUDI SEDAN	43966315	COMP	ACV	\$ 250	
		NORTH HOLLYWOOD	CA 91604				
0013	76	PONTIAC SEDAN	2Y69D107621	COMP	ACV	\$ 250	
		LOS ANGELES	CA 90004				
0014	79	CADILLAC COUPE DE VILLE	6D47N15004	COMP	ACV	\$ 250	
		NORTH HOLLYWOOD	CA 91604				
0015	79	CADILLAC CONVERTIBLE	F012T747	COMP	ACV	\$ 250	
		NORTH HOLLYWOOD	CA 91604				
0016	78	CHEVY EL CAMINO	1C80F81293	COMP	ACV	\$ 250	
		NORTH HOLLYWOOD	CA 91604				
0017	77	FORD SEDAN	2J33600	COMP	ACV	\$ 250	
		LOS ANGELES	CA 90004				
0018	63	INT'L HARVESTER TRACTOR	Y018068	COMP	ACV	\$ 250	
		SUNVALLEY	CA 91352				
0019	73	INT'L HARVESTER TRACTOR	32911739	COMP	ACV	\$ 250	
		SUNVALLEY	CA 91352				
0020	73	WHITE TRACTOR	743114	COMP	ACV	\$ 250	
		SUNVALLEY	CA 91352				
0021	76	INT'L HARVESTER TRACTOR	4247J0779	COMP	ACV	\$ 250	
		SUNVALLEY	CA 91352				
0022	67	CHEVY TOW TRUCK	1E6372081	COMP	ACV	\$ 500	
		SUNVALLEY	CA 91352				

AUTO NO.	COVERAGES AFFORDED (INDICATED BY 'X' IN COVERAGE COLUMN)							COLL	TOV
	LIAB	MEB	UM	UMK	PIP	PPI	OTC		
0010	X	X	X				X		
0011	X	X	X				X		
0012	X	X	X				X		
0013	X	X	X				X		
0014	X	X	X				X		
0015	X	X	X				X		
0016	X	X	X				X		
0017	X	X	X				X		
0018	X	X	X				X		
0019	X	X	X				X		
0020	X	X	X				X		
0021	X	X	X				X		
0022	X	X	X				X		

SCHEDULES CONTINUED ON PAGE 5

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POLICY NUMBER 8 09 MXC 80077504

Named Insured
BADLEN BROS. AUTO WRECKING, ETAL

Rating Period 04-15-02 to 04-15-06



SCHEDULE OF COVERED AUTOS YOU OWN

AUTO NO.	VEHICLE DESCRIPTION AND GARAGE LOCATION	VEHICLE ID NO.	OTC COV	OTC LIMIT	OTC DED	COLL DED
0023	72 FORD TOW TRUCK SUNVALLEY	N76F93731 CA 91352	COMP ACV		\$ 500	
0024	72 FORD TOW TRUCK SUNVALLEY	N7693739 CA 91352	COMP ACV		\$ 500	
0025	69 CHEVY TOW TRUCK SUNVALLEY	TE63932047 CA 91352	COMP ACV		\$ 500	
0026	61 FORD TOW TRUCK SUNVALLEY	F60D171262 CA 91352	COMP ACV		\$ 500	
0027	75 CHEVY TOW TRUCK SUNVALLEY	LCY142593 CA 91352	COMP ACV		\$ 500	
0028	74 FORD P/U SUNVALLEY	F13J7861 CA 91352	COMP ACV		\$ 250	
0029	74 CHEVY EL CAMINO SUNVALLEY	1C71622 CA 91352	COMP ACV		\$ 250	
0030	72 FORD P/U SUNVALLEY	F3D10106 CA 91352	COMP ACV		\$ 250	
0031	72 FORD RANCHERO SUNVALLEY	2A4197967 CA 91352	COMP ACV		\$ 250	
0032	71 FORD BOX TRUCK SUNVALLEY	LT717907 CA 91352	COMP ACV		\$ 250	
0033	71 DODGE LOS ANGELES	77813867 CA 90001	COMP ACV		\$ 250	
0034	75 CHEVY P/U LOS ANGELES	CCU2106671 CA 90001	COMP ACV		\$ 250	
0035	74 GMC STAKE TRUCK LOS ANGELES	TKY514914 CA 90001	COMP ACV		\$ 250	

AUTO NO.	COVERAGES AFFORDED (INDICATED BY 'X' IN COVERAGE COLUMN)							COLL	TOW
	LIAB	MED	UM	UIM	PIP	PPI	OTC		
0023	X	X	X				X		
0024	X	X	X				X		
0025	X	X	X				X		
0026	X	X	X				X		
0027	X	X	X				X		
0028	X	X	X				X		
0029	X	X	X				X		
0030	X	X	X				X		
0031	X	X	X				X		
0032	X	X	X				X		
0032	X	X	X				X		
0034	X	X	X				X		
0035	X	X	X				X		

SCHEDULES CONTINUED ON PAGE 4

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POLICY NUMBER # 99 MXG 89077504

Named Insured
AADLER BROS. AUTO WRECKING, ETC.

Rating Period 04-16-85 to 04-16-86



SCHEDULE OF COVERED AUTOS YOU OWN

AUTO NO.	YR	VEHICLE DESCRIPTION AND GARAGE LOCATION	VEHICLE ID NO.	OTC COV	OTC LIMIT	OTC DED	COLL DED
0036	65	CHEVY EL CAMINO LYNWOOD	13658065 CA 90262	COMP	ACV	\$ 250	
0037	77	CADILLAC EL DORADO MONTEBELLO	6L225679 CA 90640	COMP	ACV	\$ 250	
0038	79	CHEVY MALIBU S/W NORTH HOLLYWOOD	1W05238 CA 91604	COMP	ACV	\$ 250	
0039	73	CHEVY EL CAMINO LOS ANGELES	1C80F481302 CA 90045	COMP	ACV	\$ 250	
0040	91	FORD MUSTANG LA ALHADA	1FAB163545 CA 90035	COMP	ACV	\$ 250	

AUTO NO.	COVERAGE AFFORDED (INDICATED BY 'X' IN COVERAGE COLUMN)	LIAB	MED	UM	UIM	PIP	PPI	OTC	COLL	TOW
0036		X	X	X				X		
0037		X	X	X				X		
0038		X	X	X				X		
0039		X	X	X				X		
0040		X	X	X				X		

END OF SCHEDULE OF AUTOS YOU OWN

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POLICY NUMBER S 09 MXG 00077504

NAMED INSURED

AADLEN BROS. AUTO WRECKING, ETAL

PORTFOLIO POLICY (RO)



GARAGE POLICY DECLARATIONS - NONDEALERS

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES, LIMITS OF LIABILITY AND ENDORSEMENTS SHOWN BELOW.

ITEM TWO. SCHEDULE OF COVERAGES AND COVERED AUTOS
(SEE SUPPLEMENTARY STATE ENDORSEMENTS WHERE APPLICABLE)

GARAGEKEEPERS INSURANCE

SEE ITEM XIX

COVERAGES	SYMBOLS - COVERED AUTO DESCRIPTION
GARAGEKEEPERS INSURANCE	20. AUTOS LEFT WITH YOU FOR SERVICE, REPAIR OR STORAGE

PHYSICAL DAMAGE INSURANCE-WE WILL PAY THE ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS, MINUS DEDUCTIBLE SHOWN BELOW UNLESS OTHERWISE SHOWN IN ITEM THREE. SCHEDULE OF COVERED AUTOS YOU OWN

COVERAGES	DEDUCTIBLE	SYMBOLS	COVERED AUTOS DESCRIPTION (SEE PART I, PARAGRAPH M)
-----------	------------	---------	--

COMPREHENSIVE	\$ 250 *	11.	SPECIFICALLY DESCRIBED AUTOS
---------------	----------	-----	------------------------------

* APPLIES TO ALL LOSS EXCEPT FIRE AND LIGHTNING

ITEM THREE. DESCRIPTION OF COVERED AUTOS - (SEE PART I, PARAGRAPH M)

ITEM FOUR. GARAGE LOCATIONS

THE FOLLOWING ARE ALL LOCATIONS WHERE YOU CONDUCT YOUR GARAGE OPERATIONS

LOC NO. 001,002

(SEE LOCATION OF PREMISES IN GENERAL DECLARATIONS)

ITEM SIX. GARAGEKEEPERS INSURANCE

LOCATIONS WHERE YOU CONDUCT GARAGEKEEPERS OPERATIONS

LOC NO. 001 LIMIT OF LIABILITY \$ 25,000

LOC NO. 002 LIMIT OF LIABILITY \$ 25,000

DECLARATIONS CONTINUED ON PAGE 2

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POLICY NUMBER 8 09 MX5 80077504

NAMED INSURED

GADLEN BROS. AUTO WRECKING, ETAL

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ITEM SIX. GARAGEKEEPERS INSURANCE (CONTINUED)

COVERAGES DEDUCTIBLE

COMPREHENSIVE DEDUCTIBLE FOR LOSS CAUSED BY THEFT OR MISCHIEF OR VANDALISM
\$ 500 FOR EACH COVERED AUTO \$1,000 MAXIMUM FOR ANY ONE EVENT

COLLISION \$ 500 DEDUCTIBLE FOR EACH COVERED AUTO

ITEM SEVEN. SCHEDULE OF COVERED AUTOS YOU OWN. SEE SEPARATE SCHEDULE ATTACHED

ENDORSEMENTS - GARAGE

GARAGEKEEPER INSURANCE DIRECT COVERAGE (CLA 18 96 01 13)
PRIMARY INSURANCE

THESE DECLARATIONS ARE ISSUED IN CONJUNCTION WITH AND ARE PART OF POLICY
FORM 1-79-05-1-1-1 REV



END OF GARAGE POLICY DECLARATIONS - HO-DEALERS

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COMMERCIAL AUTOMOBILE COVERAGE

GARAGE POLICY

POLICY COVERAGE

140585—11-81 REV.

• This is a self contained Policy forming a part of the Declarations attached hereto. The premium is included in the Declarations of this Policy.

The Insurance afforded under any other liability insurance made a part of this policy does not apply to **garage operations**.

In return for the payment of the premium and subject to all the terms of this policy and the coverages and endorsements which are a part of this policy by designation in the Declarations, we agree with you as follows:

PART I—WORDS AND PHRASES WITH SPECIAL MEANING—READ THEM CAREFULLY.

The following words and phrases have special meaning throughout this policy and appear in **boldface type** when used, other than in the Declarations:

A. “**You**” and “**your**” mean the person or organization shown as the named insured in ITEM ONE of the Declarations.

B. “**We**”, “**us**” and “**our**” mean the company providing this insurance.

C. “**Accident**” includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage** the **insured** neither expected nor intended.

D. “**Auto**” means a land motor vehicle, trailer or semi-trailer.

E. “**Bodily injury**” means **bodily injury**, sickness or disease including death resulting from any of these.

F. “**Garage operations**” means the ownership, maintenance or use of the locations and that portion of the road, or other accesses that adjoin these locations for garage business. Garage operations includes the ownership, maintenance or use of the **autos** indicated in PART II as covered **autos**. Garage operations also include all operations necessary or incidental to a garage business.

G. “**Insured**” means any person or organization qualifying as an insured in the WHO IS INSURED section of the applicable insurance. Except with respect to **our** limit of liability, the insurance afforded applies separately to each **insured** who is seeking coverage or against whom a claim is made or suit is brought.

H. “**Loss**” means direct and accidental loss or damage.

I. “**Products**” means the goods or products you made or sold in a garage business.

J. “**Property damage**” means the damage to or loss of use of tangible property.

K. “**Trailer**” includes semi-trailer.

L. “**Work you performed**” includes work that someone performed for **you**.

M. “**Description of Covered Auto Designation Symbols**” when shown in Item Two of the Declarations means:

SYMBOL	DESCRIPTION
21 - ANY AUTO	
22 - OWNED AUTOS ONLY.	Only those autos you own (and for liability coverage any trailers you don't own while attached to power units you own). This includes those autos whose ownership you acquire after the policy begins.
23 - OWNED PRIVATE PASSENGER AUTOS ONLY.	Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
24 - OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS ONLY.	Only those autos you own which are not of the private passenger type (and for liability coverage any trailers you don't own while attached to power units you own). This includes those autos , not of the private passenger type, whose ownership you acquire after the policy begins.
25 - OWNED AUTOS SUBJECT TO NO-FAULT.	Only those autos you own which are required to have No-Fault benefits in the state where they are licensed or principally garaged. This

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11-81

Myron A. Barnes
PRESIDENT

SYMBOL	DESCRIPTION
	includes those autos whose ownership you acquire after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
26 =	OWNED AUTOS SUBJECT TO COMPULSORY UNINSURED MOTORISTS LAW. Only those autos you own which, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject uninsured motorists insurance. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
27 =	SPECIFICALLY DESCRIBED AUTOS. Only those autos described in ITEM SEVEN (Non-Dealers) or ITEM EIGHT (Dealers) in the Declarations (and for liability coverage any trailers you don't own while attached to any power unit described in ITEM SEVEN or ITEM EIGHT).
28 =	HIRED AUTOS ONLY. Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees or members of their households.
29 =	NON-OWNED AUTOS USED IN YOUR GARAGE BUSINESS. Any auto you do not own, lease, hire or borrow used in connection with your garage business described in the Declarations. This includes autos owned by your employees or members of their households while used in your garage business.
30 =	AUTOS LEFT WITH YOU FOR SERVICE, REPAIR, STORAGE OR SAFEKEEPING. Any auto not owned by you or any of your employees while left with your garage operations for service, repair, storage or safekeeping. However, any auto owned by any of your employees is a covered auto while left with your garage business for service or repair under an agreement for which a specific pecuniary charge has been made.
31 =	FLOOR PLANNED AUTOS. Only those autos encumbered by the security interest of a creditor of yours. This includes those FLOOR PLANNED autos you acquire ownership of after the policy begins.

SYMBOL	DESCRIPTION
32 =	NOT FLOOR PLANNED AUTOS. Only those new autos other than FLOOR PLANNED AUTOS and those designated as DEMONSTRATORS . This includes those NOT FLOOR PLANNED AUTOS you acquire ownership of after the policy begins, and autos in your possession on consignment for sale.
33 =	DEMONSTRATOR AUTOS. Only those automobiles used exclusively for demonstration purposes. This includes those DEMONSTRATOR AUTOS you acquire ownership of after the policy begins.
34 =	USED AND SERVICE AUTOS. Only used autos and service autos (including towing autos). This includes those USED AND SERVICE AUTOS you acquire ownership of after the policy begins, and autos in your possession on consignment for sale.

N. Class One—Employees

1a. **Regular Operator** (Full-time Employee)—Any of the following who work 20 hours or more a week; proprietors, partners and officers active in the **garage operations**, salespersons, general managers, service managers; any employee whose principal duty involves the operation of covered **autos** or who is furnished a covered **auto**.

1b. **Regular Operator** (Part-time Employee)—Any of the following who work less than 20 hours a week; proprietors, partners and officers active in the **garage operations**, salespersons, general managers, service managers; any employee whose principal duty involves the operation of covered **autos** or who is a furnished a covered **auto**.

1c. **All Others** (Full-time Employee)—All other employees, working 20 hours or more a week.

1d. **All Others** (Part-time Employee)—All other employees, working less than 20 hours per week.

O. Class Two—Non-Employees

2a. **Younger than 25**—Any of the following persons who are younger than 25 and who are regularly furnished with a covered **auto**: Inactive proprietors, partners and officers and their relatives and the relatives of any person described in Class 1.

2b. **All Others**—Any of the following persons who are 25 or older and who are regularly furnished with a covered **auto**: Inactive proprietors, partners and officers and their relatives and the relatives of any person described in Class 1.

PART II—WHICH AUTOS ARE COVERED AUTOS.

A. ITEM TWO of the Declarations shows the **autos** which are covered **autos** for each of your coverages. The numerical symbols explained in PART I.M. describe which **autos** are covered **autos**. The symbols entered next to a coverage designate the only **autos** that are covered **autos**.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS.

1. If symbols "21", "22", "23", "24", "25", "26", "31", "32", "33" or "34" are entered next to a coverage in ITEM TWO, then you already have coverage for **autos** of the type described until the policy ends.

2. But, if symbol "27" is entered next to a coverage in ITEM TWO, an **auto** you acquire will be a covered **auto** for that coverage only if:

a. We already insure all **autos** that you own for that coverage or it replaces an **auto** you previously owned that had that coverage, and

b. You tell us within 30 days after you acquire it that you want us to insure it for that coverage.

C. CERTAIN TRAILERS.

If the policy provides liability insurance, **trailers** with a load capacity of 2,000 pounds or less are covered **autos** for liability insurance.

PART III—WHERE AND WHEN THIS POLICY COVERS.

We cover **bodily injury**, **property damage** or losses that occur during the policy period:

A. In the United States of America, its territories or possessions, Puerto Rico or Canada or while the covered **auto** is being transported between any of these places.

B. Anywhere in the world if the **bodily injury** or **property damage** is caused by one of **your products** which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada. The original suit for damages resulting from such **bodily injury** or **property damage** must be brought in one of these places.

PART IV—LIABILITY INSURANCE.

A. WE WILL PAY.

1. We will pay all sums the **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies caused by an **accident** and resulting from **garage operations**.

2. We have the right and the duty to defend any suit asking for these damages. However, we have no duty to defend suits for **bodily injury** or **property damage** not covered by this policy. We may investigate and settle any claim or suit as we consider appropriate. Our payment of the LIABILITY INSURANCE limit ends our duty to defend or settle.

B. WE WILL ALSO PAY.

In addition to our limit of liability we will pay for the **insured**:

1. Up to \$250 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident** we cover. We do not have to furnish these bonds.
2. Premiums on appeal bonds in any suit we defend.
3. Premiums on bonds to release attachments in a suit we defend but only for bonds up to our limit of liability.
4. All costs taxed against the **insured** in a suit we defend.
5. All interest accruing after the entry of the judgment in a suit we defend. Our duty to pay interest ends when we pay or tender our limit of liability.
6. Up to fifty dollars per day for loss of earnings (but not other income) because of attendance at hearings or trials at our request.
7. Other reasonable expenses incurred at our request.

C. WE WILL NOT COVER—EXCLUSIONS.

This insurance does not apply to:

1. Liability assumed under any contract or agreement except under a lease of a premises, an easement, sidetrack agreement or an elevator maintenance agreement.

2. Any obligation for which the **insured** or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.

3. Any obligation of the **insured** to indemnify another for damages resulting from **bodily injury** to the **insured's** employee.

4. **Bodily injury** to any employee of the **insured** arising out of and in the course of his or her employment by the **insured**. However, this exclusion does not apply to **bodily injury** to domestic employees not entitled to workers' compensation benefits.

5. **Bodily injury** to any fellow employee of the **insured** arising out of and in the course of his or her employment.

6. **Property damage** to property owned or held for sale or being transported by the **insured** or in the **insured's** care, custody or control.

7. Any covered **auto** while leased or rented to others. This exclusion does not apply to a covered **auto** you rent to one of **your** customers while his or her **auto** is left with you for service or repair.

8. **Bodily injury** or **property damage** caused by the dumping, discharge or escape of irritants, pollutants or contaminants. This exclusion does not apply if the discharge is sudden and accidental.

9. Covered **autos** while used in any professional or organized racing or demolition contest or stunting activity. This insurance also does not apply while the **auto** is being prepared for such a contest or activity.

10. Any watercraft or aircraft.

11. **Property damage** to any of **your products** or any part of **your products** if caused by a defect existing at the time it was sold or transferred to another.

12. **Property damage** to work you performed if the **property damage** results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

13. Loss of use of other property not physically damaged if caused by:

- a. **Your** delay or failure in performing any agreement or contract.
- b. The failure of **your products** or **work you performed** to meet the quality warranted or the level of performance represented. However, this exclusion, 13b, does not apply if the loss of use was caused by sudden and accidental damage to or destruction of **your products** or **work you performed** after they have been put to use by someone other than the **insured**.

14. Damages claimed because of the recall of **your products** or **work you performed** or other property of which they form a part due to a known or suspected defect or deficiency they contain.

D. WHO IS AN INSURED.

1. For Covered Autos.

- a. **You** are an **insured** for any covered **auto**.
- b. Anyone else is an **insured** while using with **your** permission a covered **auto** except
 - (1) The owner of a covered **auto** you hire or borrow from one of **your** employees or a member of his or her household.
 - (2) Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking or storing **autos** unless the business is **your garage operations**.
 - (3) **Your** customers, if **your** business is shown in the Declarations as an **auto** dealership. However, if a customer of **yours**:
 - (a) Has no other available insurance (whether primary, excess or contingent), he or she is an **insured** but only up to the compulsory or financial responsibility law limits where the covered **auto** is principally garaged.
 - (b) Has other available insurance (whether primary, excess or contingent) less than the compulsory or financial responsibility law limits where the covered **auto** is principally garaged, he or she is an **insured** only for the amount by which the compulsory or financial responsibility law limits exceed the limits of his or her other insurance.
- c. Anyone liable for the conduct of an **insured** described above is an **insured** but only to the extent of that liability. However, the owner or anyone else from whom **you** hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto** you own.

2. For Garage Operations Other Than Covered Autos.

- a. **You** are an **insured**.

- b. **Your** employees, directors or shareholders are **insureds** but only while acting within the scope of their duties.

E. OUR LIMIT OF LIABILITY.

Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the accident, **our** limit of liability is as shown in the Declarations and defined below:

1. Combined **Bodily Injury** Liability and **Property Damage** Liability.

The most **we** will pay for all damages resulting from any one accident is the limit of **LIABILITY INSURANCE** shown in the Declarations. However, **we** will deduct \$100 from the damages in any accident resulting from **property damage** to an **auto** as a result of **work you performed**.

2. Separate Limits of Liability for **Bodily Injury** Liability and **Property Damage** Liability.

The most **we** will pay for all damages resulting from **bodily injury** to any one person caused by any one accident is the limit of **Bodily Injury** Liability shown in the Declarations for "each person."

Subject to the limit for "each person," the most **we** will pay for all damages resulting from **bodily injury** caused by any one accident is the limit of **Bodily Injury** Liability shown in the Declarations for "each accident."

The most **we** will pay for all damages resulting from **property damage** caused by any one accident is the limit of **Property Damage** Liability shown in the Declarations. However, **we** will deduct \$100 from the damages in any accident resulting from **property damage** to an **auto** as a result of **work you performed**.

For the purposes of determining **our** limit of liability under 1. or 2. above, all **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one accident.

F. OUT OF STATE EXTENSIONS OF COVERAGE.

1. While a covered **auto** is away from the state where it is licensed **we** will:
 - a. Increase this policy's liability limits to meet those specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.
 - b. Provide the minimum amounts and types of other coverages, such as "No-Fault," required of out of state vehicles by the jurisdiction where the covered **auto** is being used.
2. **We** will not pay anyone more than once for the same elements of loss because of these extensions.

PART V—AUTO MEDICAL PAYMENTS INSURANCE

A. WORDS AND PHRASES WITH SPECIAL MEANING.

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for AUTO MEDICAL

PAYMENTS INSURANCE:

1. "**Family member**" means a person related to **you**, by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

B. WE WILL PAY.

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an **insured** who sustains **bodily injury** caused by **accident**. We will pay only those expenses incurred within three years from the date of the accident.

C. WE WILL NOT COVER—EXCLUSIONS.

This insurance does not apply to:

1. **Bodily injury** sustained by an **insured** while **occupying** a vehicle located for use as a premises.
2. **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by **you** or furnished or available for **your** regular use.
3. **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by or furnished or available for the regular use of any **family member**.
4. **Bodily injury** to **your** employee arising out of and in the course of employment by **you**. However, we will cover **bodily injury** to **your** domestic employees if not entitled to workers' compensation benefits.
5. **Bodily injury** to an **insured** while working in a business of selling, servicing, repairing or parking **autos** unless that business is **yours**.

6. **Bodily injury** caused by declared or undeclared war or insurrection or any of their consequences.

7. **Bodily injury** to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED.

1. **You** or any **family member** while **occupying** or, while a pedestrian, when struck by any **auto**.
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.

E. OUR LIMIT OF LIABILITY.

Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, the most we will pay for **bodily injury** for each **insured** injured in any one **accident** is the limit of AUTO MEDICAL PAYMENTS shown in the Declarations.

F. CHANGES IN CONDITIONS.

The CONDITIONS of the policy are changed for AUTO MEDICAL PAYMENTS INSURANCE as follows:

1. OUR RIGHT TO RECOVER FROM OTHERS, does not apply.
2. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible auto medical payments insurance.

PART VI—GARAGE LOCATIONS AND OPERATIONS MEDICAL PAYMENTS INSURANCE

A. WE WILL PAY

We will pay reasonable medical and funeral expenses to or for each person who sustains **bodily injury** to which this insurance applies, caused by an **accident** and resulting from:

1. The maintenance or use of the locations stated in the Declarations and that portion of the roads or other accesses that adjoin these locations for garage business.
2. All operations necessary or incidental to a garage business.

B. WE WILL NOT COVER—EXCLUSIONS

This insurance does not apply to:

1. **Bodily injury** resulting from the maintenance or use of any **auto**.

2. **Bodily injury** to **you** or anyone else arising out of and in the course of employment in **your** business.

3. **Bodily injury** caused by declared or undeclared war or insurrection or any of their consequences.

C. OUR LIMIT OF LIABILITY

Regardless of the number of persons who sustain **bodily injury** or claims made the most we will pay for **bodily injury** for each person injured in any one **accident** is the limit of medical payments insurance shown in the Declarations.

D. CHANGES IN CONDITIONS

OUR RIGHT TO RECOVER FROM OTHERS does not apply.

PART VII—UNINSURED MOTORISTS INSURANCE

A. WORDS AND PHRASES WITH SPECIAL MEANING.

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for UNINSURED MOTORISTS INSURANCE:

1. "Family member" means a person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. **"Uninsured motor vehicle"** means a land motor vehicle or trailer:

- For which no liability bond or policy at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged or
- For which the sum of all liability bonds or policies at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged but their limits are less than the limit of this insurance, or
- For which an insuring or bonding company denies coverage or is or becomes insolvent, or
- Which is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an **insured**, a covered **auto** or a vehicle an **insured** is occupying.

However, **"uninsured motor vehicle"** does not include any vehicle:

- Owned or operated by a self-insurer under any applicable motor vehicle law.
- Owned by a governmental unit or agency.
- Designed for use mainly off public roads while not on public roads.

B. WE WILL PAY.

- We will pay all sums the **insured** is legally entitled to recover as damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from **bodily injury** sustained by the **insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.
- If this insurance provides a limit in excess of the amounts required by the applicable law where a covered **auto** is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
- Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

C. WE WILL NOT COVER—EXCLUSIONS.

This insurance does not apply to:

- Any claim settled without **our** consent.
- The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
- Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle owned by **you** or any **family member** which is not a covered **auto**.
- Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED.

- You** or any **family member**.
- Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.
- Anyone for damages he is entitled to recover because of **bodily injury** sustained by another **insured**.

E. OUR LIMIT OF LIABILITY.

- Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, **our** limit of liability is as follows:

The most we will pay for all damages resulting from **bodily injury** to any one person caused by any one **accident** is the limit shown in the Declarations for "each person."

Subject to the limit for "each person," the most we will pay for all damages resulting from **bodily injury** caused by any one **accident** is the limit shown in the Declarations for "each **accident**."

- Any amount payable under this insurance shall be reduced by:

- All sums paid or payable under any workers' compensation, disability benefits or similar law, and
- All sums paid by or for anyone who is legally responsible, including all sums paid under the policy's **LIABILITY INSURANCE**.

- Any amount paid under this insurance will reduce any amount an **insured** may be paid under the policy's **LIABILITY INSURANCE**.

F. CHANGES IN CONDITIONS.

The **CONDITIONS** of the policy are changed for **UNINSURED MOTORISTS INSURANCE** as follows:

- The reference in **OTHER INSURANCE** to "other collectible insurance" applies only to other collectible uninsured motorists insurance.

- YOUR DUTIES AFTER ACCIDENT OR LOSS** is changed by adding the following:

- Promptly notify the police if a hit-and-run driver is involved, and
- Promptly send us copies of the legal paper if a suit is brought.

- OUR RIGHT TO RECOVER FROM OTHERS** is changed by adding the following:

If we make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for us and pay **us** back the amount we have paid.

- The following Condition is added:

ARBITRATION

- If we and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or

driver of an **uninsured motor vehicle** or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the

expenses of the third arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

PART VIII—GARAGEKEEPERS INSURANCE

A. WE WILL PAY.

1. We will pay all sums the **insured** legally must pay as damages for loss to a covered **auto** left in the **insured's** care while the **insured** is attending, servicing, repairing, parking or storing it in **your garage operations**, under:

a. **Comprehensive Coverage.** From any cause except the covered **auto's** collision with another object or its overturn.

b. **Specified Perils Coverage.** Caused by:

(1) Fire or explosion;

(2) Theft;

(3) Mischief or vandalism.

c. **Collision Coverage.** Caused by the covered **auto's** collision with another object or its overturn.

2. We have the right and duty to defend any suit asking for these damages. However, we have no duty to defend suit for loss not covered by this policy. We may investigate and settle any claim or suit as we consider appropriate. Our payment of our limit for any coverage ends our duty to defend or settle for that coverage.

B. WE WILL ALSO PAY.

In addition to our limit of liability, we will pay for the **insured**:

1. Premium on appeal bonds in any suit we defend.

2. Premium on bonds to release attachments in a suit we defend, but only for bonds up to our limit of liability.

3. All costs taxed to the **insured** in a suit we defend.

4. All interest accruing after the entry of the judgment in a suit we defend. Our duty to pay interest ends when we pay or tender our limit of liability.

5. Up to fifty dollars a day for loss of earnings (but not other income) because of attendance at hearings or trials at our request.

6. Other reasonable expenses incurred at our request.

C. WE WILL NOT COVER—EXCLUSIONS.

This insurance does not apply to:

1. Liability resulting from any agreement by which the **insured** accepts responsibility for loss.

2. Loss due to theft or conversion caused in any way by **you**, **your** employees or by **your** shareholders.

3. Defective parts or materials.

4. Faulty work **you performed**.

5. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered **auto**.

6. Loss to tapes, records or other devices designed for use with sound reproducing equipment.

7. Loss to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **auto** manufacturer for the installation of a radio.

D. WHO IS AN INSURED.

Each of the following is an **insured** for loss to covered **autos**:

1. **You** are an **insured**.

2. **Your** employees, directors or shareholders are **insureds** but only while acting within the scope of their duties as such.

E. OUR LIMIT OF LIABILITY.

Regardless of the number of covered **autos**, **insureds**, claims made or suits brought, the most we will pay for loss at each location is the GARAGEKEEPERS INSURANCE limit shown in the Declarations for that location minus the applicable deductibles for loss caused by collision, theft or malicious mischief or vandalism. The maximum deductible stated in the Declarations for GARAGEKEEPERS INSURANCE Comprehensive or Specified Perils Coverage is the most that will be deducted for all loss in any one event caused by theft or malicious mischief or vandalism. Sometimes to settle a claim or suit, we may pay all or any part of the deductible. If this happens **you** must reimburse **us** for the deductible or that portion of the deductible that **we** paid.

PART IX—PHYSICAL DAMAGE INSURANCE

A. WE WILL PAY.

We will pay for loss to a covered **auto** or its equipment, under:

1. **Comprehensive Coverage.** From any cause except the covered **auto's** collision with another object or its overturn.

2. Specified Perils Coverage. Caused by:

- a. Fire or explosion;
- b. Theft;
- c. Windstorm, hail or earthquake;
- d. Flood;
- e. Mischief or vandalism;
- f. The sinking, burning, collision or derailment of any conveyance transporting the covered **auto**.

3. Collision Coverage. Caused by the covered **auto**'s collision with another object or its overturn.**B. WE WILL ALSO PAY IF YOUR BUSINESS IS SHOWN IN THE DECLARATIONS AS OTHER THAN AN AUTO DEALERSHIP.**

We will also pay up to ten dollars per day to a maximum of three hundred dollars for transportation expenses incurred by you because of the total theft of a covered **auto** of the private passenger type. We will pay only for those covered **autos** for which you carry either comprehensive coverage or theft coverage. We will pay for transportation expenses incurred during the period beginning forty-eight hours after the theft and ending regardless of the policy's expiration, when the covered **auto** is returned to use or we pay for its loss.

C. WE WILL NOT COVER—EXCLUSIONS.

This insurance does not apply to:

- 1. Wear and tear, freezing, mechanical or electrical breakdown unless caused by other loss covered by this policy.
- 2. Blowouts, punctures or other road damage to tires unless caused by other loss covered by this policy.
- 3. Loss caused by declared or undeclared war or insurrection or any of their consequences.
- 4. Loss caused by the explosion of a nuclear weapon or its consequences.
- 5. Loss caused by radioactive contamination.
- 6. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered **auto**.
- 7. Loss to tapes, records or other devices designed for use with sound reproducing equipment.
- 8. Loss to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **auto** manufacturer for the installation of a radio.
- 9. Covered **autos** leased or rented to others. This exclusion does not apply to a covered **auto** you rent to one of your customers while his or her **auto** is left with you for service or repair.

10. Any covered **auto** while used in any professional organized racing contest or demolition contest or stunting contest. We will also not cover any covered **auto** while being prepared for any such event.

11. Loss to any covered **auto** as a result of someone causing you to voluntarily part with it by trick or scheme or under false pretenses.

12. Your expected profit.

D. IF YOUR BUSINESS IS STATED IN THE DECLARATIONS AS AN AUTO DEALERSHIP, WE WILL ALSO NOT COVER—ADDITIONAL EXCLUSIONS.

1. Your expected profit

2. Loss to any covered **auto** displayed or stored at any location not shown in ITEM FOUR if the loss occurs more than forty-five days after your use of the location begins.

3. Under the Collision Coverage, to any covered **auto** while being driven or transported from the point of purchase or distribution to its destination if such points are more than fifty road miles apart.

4. Under the Specified Perils Coverage, to loss to any covered **auto** caused by the collision or upset of any vehicle transporting it.

E. HOW WE WILL PAY FOR LOSS—THE MOST WE WILL PAY.

1. At our option we may:

a. Pay for, repair or replace damaged or stolen property; or

b. Return stolen property, at our expense. We will pay for any damage that results to the **auto** from the theft.

2. The most we will pay for loss to any one covered **auto** is the smaller of the following amounts:

a. The amount shown in the Schedule of Autos you Own in the Declarations.

b. The actual cash value of the damaged or stolen property at the time of the loss.

c. The cost of repairing or replacing the damaged or stolen property with other of like kind or quality.

3. Deductibles.

For each covered **auto**, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations, provided that:

a. Auto Dealers Only Special Deductible Provisions.

If your business is stated in the Declarations as an **auto** dealership:

(1) The Comprehensive Coverage or Specified Perils Coverage deductible applies only to loss caused by theft or mischief or vandalism.

(2) Regardless of the number of covered **autos** damaged or stolen the per loss deductible Comprehensive or Specified Perils Coverage shown in the Declarations is the maximum

deductible applicable for all loss in any one event caused by any theft or mischief or vandalism.

b. Non-dealers Only Special Deductible Provisions.

If **your** business is stated in the Declarations as something other than an **auto** dealership the Comprehensive Coverage deductible does not apply to loss caused by fire or lightning.

4. Auto Dealers Only—Special Limit of Liability Provisions for Those Businesses Shown in the Declarations as Auto Dealerships.

a. Regardless of the number of covered **autos** involved in the loss, the most **we** will pay for all loss at any one location is the amount stated for that location in ITEM TWO of the Declarations. Regardless of the number of covered **autos** involved in the loss, the most **we** will pay for all loss in transit is the amount shown in the Declarations for loss while in transit.

b. **Quarter or Monthly Reporting Premiums Basis.** If, on the date of **your** last report, the actual value of the covered **autos** at the loss location exceeds what **you** last reported, when a loss occurs **we** will pay only a percentage of what **we** would otherwise be obligated to pay. **We** will determine this percentage by dividing **your** total reported value for

the involved location by the value **you** actually had on the date of **your** last report.

If the first report due is delinquent on the date of loss, the most **we** will pay will not exceed seventy-five percent of the limit of liability stated in ITEM TWO of the Declarations for the applicable location.

c. **Non-Reporting Premium Basis.** If, when loss occurs, the total value of **your** covered **autos** exceeds the Comprehensive or Specified Perils Coverage limit stated in the Declarations **we** will pay only a percentage of what **we** would otherwise be obligated to pay. **We** will determine this percentage by dividing the Comprehensive or Specified Perils Coverage limit by the total values **you** actually had when loss occurred.

F. GLASS BREAKAGE—HITTING A BIRD OR ANIMAL—FALLING OBJECTS OR MISSILES.

We will pay for glass breakage, loss caused by hitting a bird or animal, or loss caused by falling objects or missiles under the Comprehensive Coverage if **you** carry Comprehensive Coverage for the damaged covered **auto**. However, **you** have the option of having glass breakage caused by a covered **auto**'s collision or overturn considered a loss under Collision Coverage.

PART X—CONDITIONS

The insurance provided by this policy is subject to the following conditions:

A. YOUR DUTIES AFTER ACCIDENT OR LOSS.

1. **You** must promptly notify **us** or **our** agent of any **accident** or loss. **You** must tell **us** how, when and where the **accident** and loss happened. **You** must assist in obtaining the names and addresses of any injured persons and witnesses.

2. Additionally, **you** and other involved **insureds** must:

a. Cooperate with **us** in the investigation, settlement or defense of any claim or suit. No **insured** shall, except at his or her own cost, voluntarily make any payment, assume any obligation or incur any expense.

b. Immediately send **us** copies of any notices or legal papers received in connection with the **accident** or loss.

c. Submit at **our** expense and as often as **we** require, to physical examinations by physicians **we** select.

d. Authorize **us** to obtain medical reports and other pertinent medical information.

3. Additionally, to recover for loss to a covered **auto** or its equipment **you** must do the following:

a. Permit **us** to inspect and appraise the damaged property before its repair or disposition.

b. Do what is reasonably necessary after loss at **our** expense to protect the covered **auto** from further loss.

e. Submit a proof of loss when required by **us**.

d. Promptly notify the police if the covered **auto** or any of its equipment is stolen.

B. OTHER INSURANCE.

1. For any covered **auto** **you** own this policy provides primary insurance. For any covered **auto** **you** don't own, the insurance provided by this policy is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle the liability coverage this policy provides for the **trailer**:

a. Is excess while it is connected to a motor vehicle **you** don't own.

b. Is primary while it is connected to a covered **auto** **you** own.

2. When two or more policies cover on the same basis, either excess or primary, **we** will pay only **our** share. **Our** share is the proportion that the limit of **our** policy bears to the total of the limits of all the policies covering on the same basis.

C. OUR RIGHT TO RECOVER FROM OTHERS.

If **we** make any payment, **we** are entitled to recover what **we** paid from other parties. Any person to or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

D. CANCELLING THIS POLICY DURING THE POLICY PERIOD.

1. **You** may cancel the policy by returning it to **us** or by giving **us** advance notice of the date cancellation is to take effect.

2. **We** may cancel the policy by mailing **you** at least 10 days notice at **your** last address known by **us**. **We** may deliver any notice instead of mailing it. Proof of mailing of any notice will be sufficient proof of notice.

3. The effective date of cancellation stated in the notice shall become the end of the policy period.

4. If this policy is cancelled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. However, making or offering to make the refund is not a condition of cancellation. If **you** cancel, the refund, if any, will be computed in accordance with the customary short rate procedure. If **we** cancel, the refund, if any, will be computed pro rata.

E. LEGAL ACTION AGAINST US.

No legal action may be brought against **us** until there has been full compliance with all the terms of this policy. In addition, under **LIABILITY INSURANCE**, no legal action may be brought against **us** until we agree in writing that the **insured** has an obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has the right under this policy to bring **us** into any action to determine the liability of the **insured**.

F. INSPECTION.

At **our** option **we** may inspect **your** property and operations at any time. These inspections are for **our** benefit only. By **our** right to inspect or by **our** making any inspection **we** make no representation that **your** property or operations are safe, not harmful to health or comply with any law, rule or regulation.

G. CHANGES.

This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. If **we** revise this policy form to provide more coverage without additional premium charge **your** policy will automatically provide the additional coverage as of the day the revision is effective in **your** state.

H. TRANSFER OF YOUR INTEREST IN THE POLICY.

Your rights and duties under this policy may not be assigned without **our** written consent.

I. NO BENEFIT TO BAILEE—PHYSICAL DAMAGE INSURANCE ONLY.

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

J. BANKRUPTCY.

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any obligations under this policy.

K. APPRAISAL FOR PHYSICAL DAMAGE LOSSES.

1. If **you** and **we** fail to agree as to the amount of **loss** either may demand an appraisal of the **loss**. In such event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss**, and, failing to agree, shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss**. **You** and **we** shall each pay the chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

2. **We** shall not be held to have waived any of our rights by any act relating to appraisal.

L. TWO OR MORE POLICIES ISSUED BY US.

If this policy and any other policy issued to **you** by **us** or any company affiliated with **us** apply to the same accident, the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

M. PREMIUM BASIS—Reporting (Quarterly or Monthly) or Nonreporting (Basis Agreed Upon as Shown by “ ” in the Declarations).**1. REPORTING BASIS.**

You must report to **us** on **our** form the locations of **your** covered **autos** and their total value at each such location. For **your** main sales location identified as location no. 1, **you** must include the total value of all covered **autos** **you** have furnished or made available to **yourself**, **your** executives, **your** employees or **family members** and others, and covered **autos** that are temporarily displayed or stored at locations other than those stated in **ITEM FOUR** in the Declarations. For **your** main sales location **you** must include the total value of all parts department vehicles and service department vehicles.

IF YOUR REPORTING BASIS AS SHOWN IN THE DECLARATIONS IS:

a. **ANNUAL.** **You** must give **us** **your** report by the fifteenth day of the thirteenth month after the policy begins. **Your** report will contain the total values **you** had on the last business day of the preceding month.

b. **QUARTERLY.** **You** must give **us** **your** first report by the fifteenth of the fourth month after the policy begins. **Your** subsequent reports must be given to **us** by fifteenth of every third month. **Your** reports must contain the values for the last business day of every third month coming within the policy period.

c. **MONTHLY.** **You** must give **us** **your** reports by the fifteenth of every month. **Your** reports will contain the total values **you** had on the last business day of the preceding month.

Comprehensive or Specified Perils Coverage premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine **your** final premium due for the entire policy year.

2. **NONREPORTING BASIS.** Stated Limit of Liability shown in the Declarations applies. The premium stated in the Declarations is based on the Limit of Liability and is the final premium.

N. ESTIMATED ANNUAL PREMIUM.

The estimated premium for this policy is a deposit premium based on the exposures **you** told **us** **you** would

have when this policy began. We will compute **your** final premium due when we determine **your** actual exposures. The estimated annual premium will be credited against the final premium due and you will be billed for the balance, if any. If the estimated annual premium exceeds the final premium due you will get a refund. To determine **your** final premium due we may examine **your** records at any time during the period of coverage and up to three years afterward. If this policy is issued for more than one year, the premium shall be computed annually based on **our** rates or premiums in effect at the beginning of each year of the policy.

Premium for this garage policy is included in the estimated annual premium set forth in the Declarations.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)

This endorsement modifies the provisions of this policy relating to all Medical Payments and Automobile Liability Insurance.

It is agreed that:

A. The policy does not apply:

1. Under any Liability Coverage, to **bodily injury** or **property damage**

a. with respect to which an **insured** under the policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or

b. resulting from **hazardous properties** of **nuclear material** and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

3. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** or **nuclear material**, if

a. the **nuclear material** (1) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (2) has been discharged or dispersed therefrom;

b. the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

c. the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c. applies only to **property damage** to such **nuclear facility** and any property thereat.

B. As used in this endorsement:

"**hazardous properties**" include radioactive, toxic or explosive properties;

"**nuclear material**" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"**spent fuel**" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

"**waste**" means any waste material

(a) containing **byproduct material** other than the tailings or **wastes** produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and

(b) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**;

"**nuclear facility**" means

1. any **nuclear reactor**,

2. any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b)

processing or utilizing **spent fuel**, or (c) handling, processing or packaging **waste**,

3. any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**,

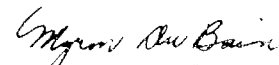
and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

IN WITNESS WHEREOF, we have caused this policy to be signed by **our** President and Secretary, but it shall not be binding upon **us** unless it is countersigned on the Declarations page by one of **our** duly authorized agents.


SECRETARY


PRESIDENT

COMMERCIAL AUTOMOBILE COVERAGE

BUSINESS AUTO POLICY

POLICY COVERAGE

140583-11-81 (REV.)

These self-contained policy provisions, together with other applicable terms, conditions, exclusions, coverage parts and endorsements of this policy which are a part of this policy by designation in the Declarations, complete the Auto coverage provided by this policy. The premium is included in the Declarations of this Policy.

BUSINESS AUTO POLICY

In return for the payment of the premium and subject to all the terms of this policy and the coverages and endorsements which are a part of this policy by designation in the Declarations, we agree with you as follows:

PART I — WORDS AND PHRASES WITH SPECIAL MEANING — READ THEM CAREFULLY

The following words and phrases have special meaning throughout this policy and appear, other than in the Declarations, in **boldface type** when used.

A. **"You"** and **"your"** mean the person or organization shown as the named insured in ITEM ONE of the Declarations.

B. **"We"**, **"us"** and **"our"** mean the company providing the insurance.

C. **"Accident"** includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage** the insured neither expected nor intended.

D. **"Auto"** means a land motor vehicle, trailer or semitrailer designed for travel on public roads but does not include **mobile equipment**.

E. **"Bodily injury"** means bodily injury, sickness or disease resulting from any of these.

F. **"Insured"** means any person or organization qualifying as an insured in the WHO IS INSURED section of the applicable insurance. Except with respect to our limit of liability, the insurance afforded applies separately to each insured who is seeking coverage or against whom a claim is made or suit is brought.

G. **"Loss"** means direct and accidental damage or loss.

H. **"Mobile equipment"** means any of the following type of land vehicles:

1. Specialized equipment such as: Bulldozers; Power shovels; Rollers, graders or scrapers; Farm machinery; Cranes; Street sweepers or other cleaners; Diggers; Fork-lifts; Pumps; Generators; Air Compressors; Drills; Other similar equipment.

2. Vehicles designed for use principally off public roads.

3. Vehicles maintained solely to provide mobility for such specialized equipment when permanently attached.

4. Vehicles not required to be licensed.

5. Autos maintained for use solely on your premises or that

part of roads or other accesses that adjoin your premises.

I. **"Property damage"** means damage to or loss of use of tangible property.

J. **"Trailer"** includes semitrailer.

K. **"Description of Covered Auto Designation Symbols"** when shown in Item Two of the Declarations means:

SYMBOL	DESCRIPTION
1	= ANY AUTO.
2	= OWNED AUTOS ONLY.* Only those autos you own (and for liability coverage any trailers you don't own while attached to power units you own). This includes those autos whose ownership you acquire after the policy begins.
3	= OWNED PRIVATE PASSENGER AUTOS ONLY.* Only the private passenger autos you own. This includes those private passenger autos whose ownership you acquire after the policy begins.
4	= OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS.* Only those autos you own which are not of the private passenger type (and for liability coverage any trailers you don't own while attached to power units you own). This includes those autos, not of the private passenger type, whose ownership you acquire after the policy begins.
5	= OWNED AUTOS SUBJECT TO NO-FAULT.* Only those autos you own which are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos whose ownership you acquire after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	= OWNED AUTOS SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW.*

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11 XCL


PRESIDENT

SYMBOL	DESCRIPTION
	Only those autos you own which, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject uninsured motorists insurance. This includes those autos whose ownership you acquire after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	= SPECIFICALLY DESCRIBED AUTOS . Only those autos described in ITEM FOUR (and for liability coverage any trailers you don't own while attached to any power unit described in ITEM FOUR).
8	= HIRED AUTOS ONLY . Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow

SYMBOL	DESCRIPTION
	from any of your employees or members of their households.
9	= NONOWNED AUTOS ONLY . Only those autos you do not own, lease, hire or borrow which are used in connection with your business. This includes autos owned by your employees or members of their households but only while used in your business or your personal affairs.
10	= Any other AUTOS . Only those specifically described in the covered auto description in ITEM TWO of the Declarations.
*Owned Autos include an auto leased to you under a leasing agreement of one year or more, including any substitute or replacement, for which the leasing agreement requires you to provide primary insurance for the lessor.	

PART II — WHICH AUTOS ARE COVERED AUTOS

A. **ITEM TWO** in the Declarations shows the symbols of the **autos** that are covered **autos** for each of **your** coverages. The numerical symbols explained in **PART I.K.** describe which **autos** are covered **autos**. The symbols entered next to a coverage designate the only **autos** that are covered **autos**.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS.

1. If symbols "1", "2", "3", "4", "5" or "6" are entered next to a coverage in **ITEM TWO**, then you already have coverage for **autos** of the type described until the policy ends.
2. But, if symbol "7" is entered next to a coverage in **ITEM TWO**, an **auto** you acquire will be a covered **auto** for that coverage only if:

a. We already insure all **autos** that you own for that coverage or it replaces an **auto** you previously owned that had that coverage; and

b. You tell us within 30 days after you acquire it that you want us to insure it for that coverage.

C. CERTAIN TRAILERS AND MOBILE EQUIPMENT.

If the policy provides liability insurance, the following types of vehicles are covered **autos** for liability insurance:

1. **Trailers** with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. **Mobile equipment** while being carried or towed by a covered **auto**.

PART III — WHERE AND WHEN THIS POLICY COVERS

We cover **accidents** and **losses** which occur during the policy period:

A. In the United States of America, its territories or posses-

sions, Puerto Rico or Canada; or

B. While the covered **auto** is being transported between any of these places.

PART IV — LIABILITY INSURANCE

A. WE WILL PAY.

1. We will pay all sums the **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of a covered **auto**.

2. We have the right and duty to defend any suit asking for these damages. However, we have no duty to defend suits for **bodily injury** or **property damage** not covered by this policy. We may investigate and settle any claim or suit as we consider appropriate. Our payment of the **LIABILITY INSURANCE** limit ends our duty to defend or settle.

B. WE WILL ALSO PAY.

In addition to our limit of liability, we will pay for the **insured**:

1. Up to \$250 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident** we cover. We do not have to furnish these bonds.
2. Premiums on appeal bonds in any suit we defend.
3. Premiums on bonds to release attachments in a suit we defend but only for bonds up to our limit of liability.
4. All costs taxed to the **insured** in a suit we defend.
5. All interest accruing after the entry of the judgment in a

suit we defend. Our duty to pay interest ends when we pay or tender our limit of liability.

6. Up to \$50 a day for loss of earnings (but not other income) because of attendance at hearings or trials at our request.

7. Other reasonable expenses incurred at our request.

C. WE WILL NOT COVER — EXCLUSIONS.

This insurance does not apply to:

1. Liability assumed under any contract or agreement.

2. Any obligation for which the **insured** or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.

3. Any obligation of the **insured** to indemnify another for damages resulting from **bodily injury** to the **insured's** employee.

4. **Bodily injury** to any fellow employee of the **insured** arising out of and in the course of his or her employment.

5. **Bodily injury** to any employee of the **insured** arising out of and in the course of his or her employment by the **insured**. However, this exclusion does not apply to **bodily injury** to domestic employees not entitled to workers' compensation benefits.

6. **Property damage** to property owned or transported by the **insured** or in the **insured's** care, custody or control.

7. **Bodily injury** or **property damage** resulting from the handling of property:

a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto**, or

b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured**.

8. **Bodily injury** or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered **auto**.

9. **Bodily injury** or **property damage** caused by the dumping, discharge or escape of irritants, pollutants or contaminants. This exclusion does not apply if the discharge is sudden and accidental.

D. WHO IS INSURED.

1. **You** are an **insured** for any covered **auto**.

2. While any covered **auto** is rented or leased to **you** and is being used by or for **you**, its owner or anyone else from whom **you** rent or lease it is an **insured** but only for that covered **auto**. However, that covered **auto's** owner or anyone else from whom it is rented or leased is not an **insured** for liability resulting from defects or faulty workmanship.

3. Anyone else is an **insured** while using with **your** permission a covered **auto you** own, hire or borrow except:

a. The owner of a covered **auto you** hire or borrow from

one of **your** employees or a member of his or her household.

b. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking autos unless that business is **yours**.

c. Anyone other than **your** employees, a lessee or borrower or any of their employees, while moving property to or from a covered **auto**.

4. Anyone is an **insured** for his or her liability because of acts or omissions of an **insured** described above. However, the owner of or anyone else from whom **you** hire or borrow a covered **auto** is an **insured** only if that **auto** is a **trailer** connected to a covered **auto you** own.

E. OUR LIMIT OF LIABILITY

Regardless of the number of covered autos, insureds, claims made or vehicles involved in the accident, our limit of liability is as shown in the Declarations and as defined below:

1. Combined **bodily injury** liability and **property damage** liability.

The most we will pay for all damages resulting from any one accident is the LIABILITY INSURANCE limit shown in the Declarations.

2. Separate limits of liability for **bodily injury** liability and **property damage** liability.

The most we will pay for all damages resulting from **bodily injury** to any one person caused by any one accident is the limit of **Bodily Injury** Liability shown in the Declarations for "each person".

Subject to the limit for "each person", the most we will pay for all damages resulting from **bodily injury** caused by any one accident is the limit of **Bodily Injury** Liability shown in the Declarations for "each accident".

The most we will pay for all damages resulting from **property damage** caused by any one accident is the limit of **Property Damage** Liability shown in the Declarations.

For the purpose of determining our limit of liability under 1. or 2. above, all **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one accident.

F. OUT OF STATE EXTENSIONS OF COVERAGE.

1. While a covered **auto** is away from the state where it is licensed we will:

a. Increase this policy's liability limits to meet those specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.

b. Provide the minimum amounts and types of other coverages, such as "No-Fault", required out of state vehicles by the jurisdiction where the covered **auto** is being used.

2. We will not pay anyone more than once for the same elements of loss because of these extensions.

PART V — AUTO MEDICAL PAYMENTS INSURANCE

A. WORDS AND PHRASES WITH SPECIAL MEANING:

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and

phrases have special meaning for AUTO MEDICAL PAYMENTS INSURANCE:

1. **"Family member"** means a person related to **you**, by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.

2. **"Occupying"** means in, upon, getting in, on, out or off.

B. WE WILL PAY.

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an **insured** who sustains **bodily injury** caused by **accident**. We will pay only those expenses incurred within three years from the date of the **accident**.

C. WE WILL NOT COVER — EXCLUSIONS.

This insurance does not apply to:

1. **Bodily injury** sustained by an **insured** while **occupying** a vehicle located for use as a premises.

2. **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by **you** or furnished or available for your regular use.

3. **Bodily injury** sustained by any **family member** while **occupying** or struck by any vehicle (other than a covered **auto**) owned by or furnished or available for the regular use of any **family member**.

4. **Bodily injury** to **your** employee arising out of and in the course of employment by **you**. However, we will cover **bodily injury** to **your** domestic employees if not entitled to workers' compensation benefits.

5. **Bodily injury** to an **insured** while working in a business of selling, servicing, repairing or parking **autos** unless that business is **yours**.

6. **Bodily injury** caused by declared or undeclared war or insurrection or any of their consequences.

7. **Bodily injury** to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED.

1. **You** or any **family member** while **occupying** or, while a pedestrian, when struck by any **auto**.

2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.

E. OUR LIMIT OF LIABILITY.

Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, the most we will pay for **bodily injury** for each **insured** injured in any one **accident** is the limit of AUTO MEDICAL PAYMENTS shown in the Declarations.

F. CHANGES IN CONDITIONS.

The **CONDITIONS** of the policy are changed for AUTO MEDICAL PAYMENTS INSURANCE as follows:

1. OUR RIGHT TO RECOVER FROM OTHERS does not apply.

2. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible auto medical payments insurance.

PART VI — UNINSURED MOTORISTS INSURANCE

A. WORDS AND PHRASES WITH SPECIAL MEANING:

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for UNINSURED MOTORISTS INSURANCE:

1. **"Family member"** means a person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.

2. **"Occupying"** means in, upon, getting in, on, out or off.

3. **"Uninsured motor vehicle"** means a land motor vehicle or trailer:

a. For which no liability bond or policy at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged, or

b. For which the sum of all liability bonds or policies at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged but their limits are less than the limit of this insurance, or

c. For which an insuring or bonding company denies coverage or is or becomes insolvent, or

d. Which is a hit-and-run vehicle and neither the driver nor

owner can be identified. The vehicle must hit an **insured**, a covered **auto** or a vehicle an **insured** is **occupying**.

However, **"uninsured motor vehicle"** does not include any vehicle:

a. Owned or operated by a self-insurer under any applicable motor vehicle law.

b. Owned by a governmental unit or agency.

c. Designed for use mainly off public roads while not on public roads.

B. WE WILL PAY

1. We will pay all sums the **insured** is legally entitled to recover as damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from **bodily injury** sustained by the **insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.

2. If this insurance provides a limit in excess of the amounts required by the applicable law where a covered **auto** is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.

3. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

C. WE WILL NOT COVER — EXCLUSIONS.

The insurance does not apply to:

1. Any claim settled without **our** consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. **Bodily injury** sustained by you or any family member while **occupying** or struck by any vehicle owned by you or any family member which is not a covered **auto**.
4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED.

1. **You** or any family member.
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, **loss** or destruction.
3. Anyone for damages he is entitled to recover because of **bodily injury** sustained by another **insured**.

E. OUR LIMIT OF LIABILITY.

1. Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, our limit of liability is as follows:

The most **we** will pay for all damages resulting from **bodily injury** to any one person caused by any one **accident** is the limit shown in the Declarations for "each person".

Subject to the limit for "each person", the most **we** will pay for all damages resulting from **bodily injury** caused by any one **accident** is the limit shown in the Declarations for "each accident."

2. Any amount payable under this insurance shall be reduced by:
 - a. All sums paid or payable under any workers' compensation, disability benefits or similar law, and
 - b. All sums paid by or for anyone who is legally responsible, including all sums paid under the policy's LIABILITY

INSURANCE.

3. Any amount paid under this insurance will reduce any amount an **insured** may be paid under the policy's LIABILITY INSURANCE.

F. CHANGES IN CONDITIONS.

The CONDITIONS of the policy are changed for UNINSURED MOTORISTS INSURANCE as follows:

1. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible uninsured motorists insurance.

2. YOUR DUTIES AFTER ACCIDENT OR LOSS is changed by adding the following:

- a. Promptly notify the policy if a hit-and-run driver is involved, and
- b. Promptly send us copies of the legal papers if a suit is brought.

3. OUR RIGHT TO RECOVER FROM OTHERS is changed by adding the following:

If **we** make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for us and pay us back the amount **we** have paid.

4. The following Condition is added:

ARBITRATION

- a. If **we** and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or driver of an **uninsured motor vehicle** or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

PART VII — PHYSICAL DAMAGE

A. WE WILL PAY.

1. **We** will pay for **loss** to a covered **auto** or its equipment under:
 - a. **Comprehensive Coverage**. From any cause except the covered **auto's** collision with another object or its overturn.
 - b. **Specified Perils Coverage**. Caused by:
 - (1) Fire or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism;
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered **auto**.

- c. **Collision Coverage**. Caused by the covered **auto's** collision with another object or its overturn.

- d. **Combined Physical Damage Coverage**. From any cause including the covered **auto's** collision with another object or its overturn.

2. Towing.

We will pay up to \$25 for towing and labor costs incurred each time a covered **auto** of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

B. WE WILL ALSO PAY.

We will also pay up to \$10 per day to a maximum of \$300 for transportation expense incurred by you because of the total theft of a covered **auto** of the private passenger type. **We** will pay only for those covered **autos** for which you

carry either Comprehensive or Specified Perils Coverage. We will pay for transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered **auto** is returned to use or we pay for its loss.

C. WE WILL NOT COVER — EXCLUSIONS.

This insurance does not apply to:

1. Wear and tear, freezing, mechanical or electrical breakdown unless caused by other **loss** covered by this policy.
2. Blowouts, punctures or other road damage to tires unless caused by other **loss** covered by this policy.
3. **Loss** caused by declared or undeclared war or insurrection or any of their consequences;
4. **Loss** caused by the explosion of a nuclear weapon or its consequences.
5. **Loss** caused by radioactive contamination.
6. **Loss** to tape decks or other sound reproducing equipment not permanently installed in a covered **auto**.
7. **Loss** to tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
8. **Loss** to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **auto** manufacturer for the installation of a radio.

D. HOW WE WILL PAY FOR LOSSES — THE MOST

WE WILL PAY.

1. At **our** option we may:

- a. Pay for, repair or replace damaged or stolen property; or
- b. For theft, return the stolen property, at **our** expense. We will pay for any damage that results to the **auto** from the theft.

2. The most we will pay for **loss** is the smaller of the following amounts:

- a. The amount shown in ITEM FOUR, Schedule of Autos You Own, in the Declarations.
- b. The actual cash value of the damaged or stolen property at the time of **loss**.
- c. The cost of repairing or replacing the damaged or stolen property with other of like kind or quality.

3. For each covered **auto**, **our** obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to **loss** caused by fire or lightning.

E. GLASS BREAKAGE — HITTING A BIRD OR ANIMAL — FALLING OBJECTS OR MISSILES.

We will pay for glass breakage, **loss** caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage for the damaged covered **auto**. However, you have the option of having glass breakage caused by a covered **auto's** collision or overturn considered a **loss** under Collision Coverage.

PART VIII — CONDITIONS

The insurance provided by this policy is subject to the following conditions:

A. YOUR DUTIES AFTER ACCIDENT OR LOSS.

1. **You** must promptly notify us or **our** agent of any **accident** or **loss**. **You** must tell us how, when and where the **accident** or **loss** happened. **You** must assist in obtaining the names and addresses of any injured persons and witnesses.
2. Additionally, **you** and other involved **insureds** must:
 - a. Cooperate with us in the investigation, settlement or defense of any claim or suit. No **insured** shall, except at his or her own cost, voluntarily make any payment, assume any obligation or incur any expense.
 - b. Immediately send us copies of any notices or legal papers received in connection with the **accident** or **loss**.
 - c. Submit at **our** expense and as often as we require to physical examinations by physicians we select.
 - d. Authorize us to obtain medical reports and other pertinent medical information.
3. Additionally, to recover for **loss** to a covered **auto** or its equipment **you** must do the following:
 - a. Permit us to inspect and appraise the damaged property before its repair or disposition.
 - b. Do what is reasonably necessary after **loss** at **our** expense

to protect the covered **auto** from further **loss**.

c. Submit a proof of **loss** when required by us.

d. Promptly notify the police if the covered **auto** or any of its equipment is stolen.

B. OTHER INSURANCE

1. For any covered **auto** you own this policy provides primary insurance. For any covered **auto** you don't own, the insurance provided by this policy is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle the liability coverage this policy provides for the **trailer**:

a. Is excess while it is connected to a motor vehicle you don't own.

b. Is primary while it is connected to a covered **auto** you own.

2. When two or more policies cover on the same basis, either excess or primary, we will pay only **our** share. **Our** share is the proportion that the limit of **our** policy bears to the total of the limits of all the policies covering on the same basis.

C. OUR RIGHT TO RECOVER FROM OTHERS.

If we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of

recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

D. CANCELLING THIS POLICY DURING THE POLICY PERIOD.

1. **You** must cancel the policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.

2. **We** may cancel the policy by mailing **you** at least 10 days notice at **your** last address known by us. **We** may deliver any notice instead of mailing it. Proof of mailing of any notice will be sufficient proof of notice.

3. The effective date of cancellation stated in the notice shall become the end of the policy period.

4. If this policy is cancelled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. However, making or offering to make the refund is not a condition of cancellation. If **you** cancel, the refund, if any, will be computed in accordance with the customary short rate procedure. If **we** cancel, the refund, if any, will be computed pro rata.

E. LEGAL ACTION AGAINST US.

No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under **LIABILITY INSURANCE**, no legal action may be brought against us until **we** agree in writing that the **insured** has no obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has any right under this policy to bring us into any action to determine the liability of the **insured**.

F. INSPECTION.

At **our** option **we** may inspect **your** property and operations at any time. These inspections are for **our** benefit only. By **our** right to inspect or by **our** making any inspection **we** make no representation that **your** property or operations are safe, not harmful to health or comply with any law, rule or regulation.

G. CHANGES.

This policy contains all the agreements between **you** and **us**. It terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. If **we** revise this policy form to provide more coverage without additional premium charge **your** policy will automatically provide the additional coverage as of the date the revision is effective in **your** state.

H. TRANSFER OF YOUR INTEREST IN THIS POLICY.

Your rights and duties under this policy may not be assigned without **our** written consent.

I. NO BENEFIT TO BAILEE — PHYSICAL DAMAGE INSURANCE ONLY.

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

J. BANKRUPTCY.

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any obligations under this policy.

K. APPRAISAL FOR PHYSICAL DAMAGE LOSSES.

1. If **you** and **we** fail to agree as to the amount of **loss** either may demand an appraisal of the **loss**. In such event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately that actual cash value and the amount of **loss**, and, failing to agree, shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss**. **You** and **we** shall each pay the chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

2. **We** shall not be held to have waived any of **our** rights by any act relating to appraisal.

L. TWO OR MORE POLICIES ISSUED BY US.

If this policy and any other policy issued to **you** by **us** or any company affiliated with **us** apply to the same **accident**, the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

M. ESTIMATED ANNUAL PREMIUM.

The estimated annual premium for this policy is based on the exposures **you** told **us** **you** would have when this policy began.

We will compute **your** final premium due when **we** determine **your** actual exposures. The estimated annual premium will be credited against the final premium due and **you** will be billed for the balance, if any. If the estimated annual premium exceeds the final premium due **you** will get a refund. To determine **your** final premium due **we** may examine **your** records at any time during the period of coverage and up to three years afterward. If this policy is issued for more than one year, the premium shall be computed annually based on **our** rates or premiums in effect at the beginning of each year of the policy.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)

This endorsement modifies the provisions of this policy relating to all Medical Payments and Automobile Liability Insurance. It is agreed that:

1. This policy does not apply:

A. Under any Liability Coverage, to **bodily injury** or **property damage**

(1) with respect to which an **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance

Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from **hazardous properties of nuclear material** and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

C. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties of nuclear material**, if

(1) the **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (b) has been discharged or dispersed therefrom;

(2) the **nuclear material** is contained in **spent fuel** or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

(3) the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such **nuclear facility** and any property thereat.

II. As used in this endorsement:

"**hazardous properties**" include radioactive, toxic or explosive properties;

"**nuclear material**" means **source material**, **special nuclear**

material or **byproduct material**;

"**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"**spent fuel**" means any fuel element or fuel component solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

"**waste**" means any **waste material**

(a) containing **by-product material** other than the tailings or **wastes** produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and

(b) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**;

"**nuclear facility**" means

(a) any **nuclear reactor**,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basic, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"**property damage**" includes all forms of radioactive contamination of property.

IN WITNESS WHEREOF, we have caused this policy to be signed by **our** President and Secretary, but it shall not be binding upon **us** unless it is countersigned on the General Declarations page by one of **our** duly authorized agents.

SECRETARY

Jim Benedict

PRESIDENT

James J. McLaughlin

COMMERCIAL COVERAGE

BUSINESS AUTO POLICY GARAGE POLICY TRUCKERS' POLICY

Supplementary State Endorsements

POLICY AMENDMENTS

California

The following Endorsements shall apply only when specifically incorporated through appropriate entry in the Declarations.

● AMENDMENT OF PART IV — LIABILITY INSURANCE — CALIFORNIA

(Business Auto Policy and Truckers' Policy) (100904-11-82)

It is agreed that paragraph 3.b. of PART IV — LIABILITY INSURANCE, section D. WHO IS INSURED, is amended to read as follows:

b. Someone using a covered **auto** while he or she is working in a business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing **autos**.

● CHANGES IN POLICY — CANCELLATION (PA 02 04 01 78)

If **you** are an individual and a covered **auto** **you** own is of the private passenger type, CANCELLING THIS POLICY DURING THE POLICY PERIOD does not apply to that **auto**. The following Condition applies instead:

ENDING THIS POLICY

A. Cancellations

1. **You** may cancel this policy by returning it to us or by giving **us** advance notice of the date cancellation is to take effect.
2. When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason provided **we** mail **you** notice within this period. If **we** cancel **we** will mail **you** at least 10 days notice.
3. When this policy is in effect 60 days or more or is a renewal or continuation policy, **we** may cancel only for one or more of the following reasons:
 - a. Nonpayment of premium. If **we** cancel for this reason, we will mail **you** at least 10 days notice.
 - b. **Your** driver's license or that of a driver who lives with **you** or customarily uses the covered **auto** has been suspended or revoked during the policy period. If **we** cancel for this reason **we** will mail **you** at least 20 days notice.
 - c. **We** replace this policy with another one providing similar coverages and the same limits for the covered **auto**. The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.
 - d. This policy has been written for a period of more than a year or without a fixed expiration date. **We** may cancel for this reason only at an anniversary of its original effective

date. If **we** cancel for this reason **we** will mail **you** at least 20 days notice.

4. If this policy is cancelled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. However, making or offering to make the refund is not a condition of cancellation. If **you** cancel, the refund, if any, will be computed in accordance with **our** customary short rate procedure. If **we** cancel, the refund, if any, will be computed pro rata.

5. The effective date of cancellation stated in the notice shall become the end of the policy period.

B. Non-Renewal

1. If **we** decide not to renew or continue this policy **we** will mail **you** notice at least 20 days before the end of the policy period. If the policy period is other than one year, **we** have the right not to renew or continue it only at an anniversary of its original effective date. If **we** offer to renew or continue at least 20 days before the end of the policy period and **you** do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premiums by the end of the policy period shall mean that **you** have not accepted our offer.

2. If **we** fail to mail proper notice of non-renewal and **you** obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

Any notice of cancellation or non-renewal will be mailed to **your** last known address. However, **we** may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11 XCL

William H. Helms

PRESIDENT

● **AMENDMENT OF PART IV — LIABILITY INSURANCE CALIFORNIA**
(Garage Policy) (101610-11-82)

It is agreed that paragraph 1.b.(2) of PART IV — LIABILITY INSURANCE, section D. WHO IS INSURED, is amended to read as follows:

● **CALIFORNIA PUBLIC SCHOOLS AND COMMUNITY COLLEGE ENDORSEMENT (101611-11-82)**

It is agreed that the policy provides such insurance as is required under Sections 35208 or 72506 and Sections 44873 or 87440 of the California Education Code (Reorganized), subject to the applicable limits of liability and all of the terms of the policy and of this endorsement:

1. (a) **Additional Insureds:** The "Persons Insured" provisions of the policy is amended to include as an **insured** members of the governing board, officers and employees of the **named insured**, including any physician employed for the performance of medical services pursuant to Sections 44873 and 87440 of the California Education Code, while acting within the scope of their duties as such.

(b) **Other Insurance:** The insurance with respect to any in-

(2) Someone using a covered **auto** while he or she is working in a business of selling, repairing, servicing, delivering, testing, road-testing, parking or storing **autos**.

insured other than the **named insured**, shall be excess insurance over any other valid and collectible insurance.

2. **Cancellation by the Company:** The Cancellation Conditions of the policy is amended by the substitution of the words "thirty days" for "ten days" therein.

3. **Additional Definition:** "medical services" includes a medical service required to be performed by a physician when required to be in attendance at high school or community college athletic contests or meets.

4. **First Aid:** The "Supplementary Payments" provision of the policy does not apply, under the Comprehensive General Liability Insurance, to first aid to any student or pupil.

● **EXCLUSIONS OF NAMED DRIVER — CALIFORNIA (101612-11-82)**

It is agreed as follows:

1. The insurance afforded by this policy shall not apply nor accrue to the benefit of any **insured** or any third party claimant while any covered **auto** is used or operated by the individual named in the Declarations as applicable to this endorsement.

2. We shall have no obligations to defend any suit brought against any **insured** because of the use or operation of any covered **auto** by the individual designated in the Declarations as applicable to this endorsement, except that we shall defend you only when all of the following apply:

a. the individual designated in the Declarations as applicable to this endorsement is a resident of the same household as you;

b. As a result of operating any covered **auto** of yours that individual is jointly sued with you; and

c. That individual is a **named insured** under a separate automobile liability insurance policy which provides no defense to you.

The provisions of Section 1 above shall not be affected by this Section 2.

● **LEASING OR RENTAL CONCERNS—CONTINGENT COVERAGE—CALIFORNIA (CA 20 26 06 81)**

A. PHRASE WITH SPECIAL MEANING

In addition to WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following phrase has special meaning in this endorsement:

"**Leased auto**" means an **auto** you lease to a lessee for 6 months or more, including any substitute, replacement or extra **auto** needed to meet seasonal or other needs, under a lease agreement which requires the lessee to provide primary insurance for you.

B. LIABILITY INSURANCE and any required no-fault insurance provided by the policy for a covered **auto** which is a leased **auto** applies subject to the following provisions:

1. If there is no other available insurance (whether primary, excess or contingent) the limit of **our** liability is the minimum limit required by any applicable compulsory or financial responsibility law.

2. If there is other available insurance (whether primary, excess or contingent) the limit of **our** liability is only for the amount by which the applicable compulsory or financial responsibility law limits exceed the limits of the available insurance.

C. In addition to the insurance provided in paragraph B, LIABILITY INSURANCE applies to you, your employees or agents subject to the following provisions:

i.a. The lessee has furnished you with a certificate of insurance, a copy of the policy or a copy of the endorsement making you an additional insured on the lessee's policy as required by the leasing agreement, and

b. At the time of an **accident** the insurance required by the leasing agreement is not collectible.

2. The limit of **our** liability for the insurance provided under this paragraph is the difference between the minimum limit required by the applicable compulsory or financial responsibility law and the lesser of

a. The limits of liability required by the leasing agreements, or

b. The limit of liability shown in the Declarations as applicable to this endorsement.

D. The insurance provided by this endorsement is excess over any other collectible insurance, whether primary, excess or contingent, unless such insurance is specifically written to apply in excess of the policy.

E. If the lessee's policy is cancelled, the insurance provided by this endorsement to you, your employees or agents ends the earlier of the following dates:

1. The date you regain custody of the leased **auto**, or

2. 30 days after the effective date of cancellation.

● **UNINSURED MOTORISTS INSURANCE — BODILY INJURY — CALIFORNIA (CA 21 54 07 84)**

A. WORDS AND PHRASES WITH SPECIAL MEANING

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for UNINSURED MOTORISTS INSURANCE - BODILY INJURY (CALIFORNIA):

1. **"Family member"** means **your** spouse, whether or not a resident of **your** household, and any other person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child.
2. **"Occupying"** means in, upon, getting in, on, out or off.
3. **"Uninsured motor vehicle"** means a land motor vehicle or trailer:
 - a. For which no liability bond or policy at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged, or
 - b. For which the sum of all liability bonds or policies at the time of an **accident** provides at least the amounts required by the applicable law where a covered **auto** is principally garaged but their limits are less than the limit of this insurance, or
 - c. For which the insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent, or
 - d. Which is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an **insured**, a covered **auto** or a vehicle an **insured** is **occupying**.

However, **"uninsured motor vehicle"** does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law.
- b. Owned by a governmental unit or agency.
- c. Designed for use mainly off public roads while not on public roads.

B. WE WILL PAY

1. We will pay all sums the **insured** is legally entitled to recover as damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from **bodily injury** sustained by the **insured** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the uninsured motor vehicle.
2. If this insurance provides a limit in excess of the amounts required by the applicable law where a covered **auto** is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

C. WE WILL NOT COVER - EXCLUSIONS

This insurance does not apply to:

1. Any claim settled without **our** consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability or similar law to the direct benefit of the United States, a state or its political subdivisions.

3. **Bodily injury** sustained by **you** or any **family member** while **occupying** or struck by any vehicle owned by **you** or any **family member** which is not a covered **auto**.

4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED

1. **You** or any **family member**.
2. Anyone else **occupying** a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.
3. Anyone for damages he is entitled to recover because of **bodily injury** sustained by another **insured**.

E. OUR LIMIT OF LIABILITY

1. Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, the most we will pay for all damages resulting from any one **accident** is the limit of UNINSURED MOTORISTS INSURANCE shown in the Declarations.
2. Any loss payable under this insurance shall be reduced by:
 - a. All sums paid or payable under any workers' compensation law exclusive of non-occupational disability benefits, and
 - b. All sums paid by or for anyone who is legally responsible, including all sums paid under the policy's LIABILITY INSURANCE.

F. CHANGES IN CONDITIONS

The Conditions of the policy are changed for UNINSURED MOTORISTS INSURANCE - BODILY INJURY (CALIFORNIA) as follows:

1. OTHER INSURANCE

- a. For **bodily injury** sustained by an **insured** while **occupying** an **auto** he does not own, UNINSURED MOTORISTS INSURANCE does not apply if the owner of the **auto** has uninsured motorists insurance.
- b. Except as provided in paragraph a., if an **insured** has other uninsured motorists insurance, the damages shall be deemed not to exceed the higher of the applicable limits of the respective coverages. We will pay only **our** share of these damages. **Our** share is the proportion that the limit of UNINSURED MOTORISTS INSURANCE bears to the total of the limits of all uninsured motorists insurance.

2. YOUR DUTIES AFTER ACCIDENT OR LOSS is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved, and
- b. Promptly send **us** copies of the legal papers if a suit is brought.

3. OUR RIGHT TO RECOVER FROM OTHERS is changed by adding the following:

If we make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for **us** and pay **us** back the amount we have paid.

4. LEGAL ACTION AGAINST US is changed to read:

No legal action may be brought against us until there has been full compliance with all the terms of this policy nor unless within one year from the date of the accident:

- a. Suit for **bodily injury** has been filed against the uninsured motorist in a court of competent jurisdiction, or
 - b. Agreement as to the amount due under this insurance has been concluded, or
 - c. The **insured** has formally instituted legal proceedings.
5. The following Condition is added:

• **UNINSURED MOTORISTS INSURANCE — PROPERTY DAMAGE — CALIFORNIA (CA 21 55 10 84)**

A. WORDS AND PHRASES WITH SPECIAL MEANING
The following words and phrases have special meaning for UNINSURED MOTORISTS INSURANCE - PROPERTY DAMAGE (CALIFORNIA):

1. "**Auto**" means a self-propelled motor vehicle. However, it does not include:

- a. a vehicle transporting persons for hire, compensation or profit, other than a van pool vehicle.
- b. a vehicle designed, used or maintained primarily for the transportation of property.
- c. **mobile equipment**.

2. "**Property damage**" means injury to or destruction of **your** covered **auto**. However, **property damage** does not include loss of use.

3. "**Uninsured motor vehicle**" means a land motor vehicle or trailer which is involved in a collision with **your** covered **auto** and for which:

- a. No liability bond or policy at the time of an **accident** provides at least the amount required for **property damage** liability by the California Financial Responsibility law; or
- b. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between **your** covered **auto** and the **uninsured motor vehicle** and:

- a. the owner or operator of that vehicle must be identified; or
- b. That vehicle must be identified by its license number.

However, "**Uninsured motor vehicle**" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law.
- b. Owned by a governmental unit or agency.
- c. Designed for use mainly off public roads while not on public roads.

B. WE WILL PAY

1. We will pay all sums the **insured** is legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle**. The damages must result from **property damage** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.

ARBITRATION

a. If we and an **insured** disagree whether the **insured** is legally entitled to recover damages from the owner or driver of an **uninsured motor vehicle** or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event the disagreement will be settled by a single neutral arbitrator. Each party will bear the expenses of the arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured** lives. Local rules of law as to arbitration procedures and evidence will apply. The decision of the arbitrator will be binding.

2. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on us.

C. WE WILL NOT COVER - EXCLUSIONS

This insurance does not apply to:

1. Any claim settled without **our** consent.
2. The direct or indirect benefit of any insurer of property.
3. Property contained in the covered **auto**.
4. **Property damage** to any motor vehicle owned by **you** or any **family member** which is not a covered **auto**.
5. **Property damage** to any motor vehicle owned by **you** to which collision coverage applies under this policy or any other policy.
6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. OUR LIMIT OF LIABILITY

1. Regardless of the number of covered **autos**, claims made or vehicles involved in the **accident**, the most we will pay for all damages resulting from any one **accident** is the least of the following:

- a. \$3,500; or
- b. The actual cash value of the damaged **auto** at the time of the **accident**.

2. Any amount payable under this insurance shall be reduced by all sums paid by or for anyone who is legally responsible.

E. CHANGES IN CONDITIONS

The Conditions of the policy are changed for UNINSURED MOTORISTS INSURANCE - PROPERTY DAMAGE (CALIFORNIA) as follows:

1. OTHER INSURANCE

If an **insured** has other applicable **property damage** uninsured motorists insurance, we will pay only **our** share of any damages. **Our** share is the proportion that the limit of UNINSURED MOTORISTS INSURANCE bears to the total of the limits of all property damage uninsured motorists insurance.

2. YOUR DUTIES AFTER ACCIDENT OR LOSS is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved;
- b. Report the accident or loss to us or **our** agent within three business days; and

c. Promptly send us copies of the legal papers if a suit is brought.

3. OUR RIGHT TO RECOVER FROM OTHERS is changed by adding the following:

If we make any payment and the insured recovers from another party, the insured shall hold the proceedings in trust for us and pay us back the amounts we have paid.

4. The following Condition is added:

ARBITRATION

a. If we and an insured disagree whether the insured is legally entitled to recover damages from the owner or operator of an

uninsured motor vehicle or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event the disagreement will be settled by a single neutral arbitrator. The arbitration must be formally instituted by the insured within one year from the date of the accident. Each party will bear the expenses of the arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

• WAIVER OF COLLISION DEDUCTIBLE — CALIFORNIA (CA 03 05 10 84)

When PHYSICAL DAMAGE INSURANCE provides coverage for a loss to your covered auto caused by its collision or upset, and:

1. the loss involves an uninsured motor vehicle; and
2. you are legally entitled to recover the full amount of your loss from the owner or operator of the uninsured motor vehicle; and

3. the above Schedule indicates that the Waiver of Collision deductible provision applies to the covered auto; then

we will pay the full deductible. Subject to the above, if you are legally entitled to recover only a percentage of your loss, we will pay that percentage of your deductible. However, if the amount of the loss is less than your deductible, we will pay the percentage of the loss that you are legally entitled to recover. In no event will we pay more than the amount of the loss.

"Uninsured motor vehicle" means a land motor vehicle or trailer which is involved in a collision with your covered auto and for which:

1. No liability bond or policy at the time of an accident provides at least the amount required for property damage liability by the California Financial Responsibility Law; or

2. The insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent.

The collision must involve direct physical contact between your covered auto and the uninsured motor vehicle and:

1. The owner or operator of that vehicle must be identified; or

2. That vehicle must be identified by its license number.

However, "uninsured motor vehicle" does not include any vehicle:

1. Owned or operated by a self-insurer under any applicable motor vehicle law.

2. Owned by a governmental unit or agency.

3. Designed for use mainly off public roads while not on public roads.

"Auto" means a self-propelled motor vehicle. However, it does not include:

1. a vehicle transporting persons for hire, compensation or profit, other than a van pool vehicle.

2. a vehicle designed, used or maintained primarily for the transportation of property.

3. mobile equipment.

ARBITRATION

1. If we and an insured disagree whether the insured is legally entitled to recover damages from the owner or operator of an uninsured motor vehicle or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, the disagreement will be settled by a single neutral arbitrator. The arbitration must be formally instituted by the insured within one year from the date of the accident. Each party will bear the expenses of the arbitrator equally.

2. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to arbitration procedure and evidence will apply. The decision of the arbitrator will be binding.

Paragraph A.1. of the YOUR DUTIES AFTER ACCIDENT OR LOSS Condition is replaced as follows:

You must report the accident or loss to us or our agent within three business days. You must tell us how, when and where the loss happened. You must assist in obtaining names and addresses of any injured persons and witnesses.

• CHANGES IN POLICY — CALIFORNIA (CA 01 43 10 84)

LIABILITY INSURANCE for a covered auto licensed or principally garaged in, or garage operations conducted in, California is changed as follows:

Any damages otherwise payable under LIABILITY INSURANCE to the owner or operator of an uninsured motor vehicle shall be reduced by all sums paid or payable to an insured

under UNINSURED MOTORISTS INSURANCE - BODILY INJURY (CALIFORNIA) or UNINSURED MOTORISTS INSURANCE-PROPERTY DAMAGE (CALIFORNIA). This provision applies only if the claim of the insured and the claim of the owner or operator of the uninsured motor vehicle result from the same accident.

COMMERCIAL AUTOMOBILE
COVERAGE

POLICY AMENDMENT

BUSINESS AUTO POLICY
GARAGE POLICY
TRUCKERS' POLICY

Deductible Property Damage Liability Insurance

CA 03 01 01 78—CA 03 02 01 78

IF THE FOLLOWING INFORMATION IS NOT COMPLETE, REFER TO THE APPROPRIATE DECLARATIONS ATTACHED TO THE POLICY.

INSURED	POLICY NUMBER	SEQUENTIAL NO.
PRODUCER	EFFECTIVE DATE	

DECLARATIONS

DEDUCTIBLE PROPERTY DAMAGE LIABILITY INSURANCE
\$ DEDUCTIBLE

PROPERTY DAMAGE LIABILITY INSURANCE
DEDUCTIBLE:

A. The damage which would otherwise be payable under LIABILITY INSURANCE for **property damage** caused in any one **accident** will be reduced by the **PROPERTY DAMAGE PER ACCIDENT DEDUCTIBLE** stated in the Declarations prior to the application of the **OUR LIMIT OF LIABILITY** provision.

B. To settle any claim or suit **we** may pay all or any part of any deductible stated in the Declarations. If this happens

you must reimburse **us** for the deductible or the part of the deductible we paid.

In the states of California, Delaware, Georgia, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, New Hampshire, New Jersey, New York, Oregon, Pennsylvania, South Carolina, Virginia, Washington and West Virginia, paragraph B is amended to read:

B. To settle any claim or suit **we** will pay all or part of any deductible stated in the Declarations. **You** must reimburse **us** for the deductible or the part of the deductible **we** paid.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11XCL

Myron B. Bann
PRESIDENT

STOCK NO. CA 03 01 01 78

COMMERCIAL AUTOMOBILE
COVERAGE

POLICY AMENDMENT

BUSINESS AUTO POLICY
GARAGE POLICY

Garagekeepers' Insurance—
Direct Coverage Options

CA 25 06 01 78

IF THE FOLLOWING INFORMATION IS NOT COMPLETE, REFER TO THE APPROPRIATE DECLARATIONS ATTACHED TO THE POLICY.

INSURED	POLICY NUMBER	SEQUENTIAL NO.
PRODUCER	EFFECTIVE DATE	

DECLARATIONS

GARAGEKEEPERS INSURANCE is changed to apply without regard to **your** or any other **insured's** legal liability for **loss** to a covered **auto** and is further changed by the option indicated below by "☒"

☐ **EXCESS INSURANCE.** GARAGEKEEPERS INSURANCE is excess over any other collectible insurance

regardless of whether the other insurance covers **your** or any other **insured's** interest or the interest of the covered **auto's** owner.

☐ **PRIMARY INSURANCE.** GARAGEKEEPERS INSURANCE is primary insurance.

This Form must be attached to Change Endorsement when issued after the Policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY

11XCL

Myron De Bane
PRESIDENT

STOCK NO. CA 25 06 01 78

May 16, 1996

Samson Auto Salvage
Sam Adlen, et al
8103 S. Alameda St.
Los Angeles, CA 90001

INTRA INSURANCE SERVICE, INC.

10670 TREENA STREET, SUITE 216
SAN DIEGO, CA 92131
Phone: (619) 578-5200



SCOTTSDALE INSURANCE COMPANY®

8877 North Gainey Center Drive • Scottsdale, Arizona 85258
A STOCK COMPANY

Commercial Lines Policy

THIS POLICY CONSISTS OF: DECLARATION, COMMON POLICY CONDITIONS, ONE OR MORE
COVERAGE PARTS. A COVERAGE PART CONSISTS OF: ONE OR MORE COVERAGE FORMS,
APPLICABLE FORMS AND ENDORSEMENTS.

I N T R A I N S U R A N C E , I N C .

May 16, 1996

Samson Auto Salvage
Sam Adlen, et al
8103 S. Alameda St.
Los Angeles, CA 90001

Re: Scottsdale Ins
Liability Policy #CLS326603

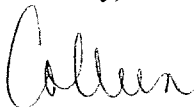
Dear Bernie:

Enclosed please find your Business Liability renewal policy through Scottsdale Ins.

We have looked over your policy and find all as requested. Please read your policy thoroughly including all limitations, endorsements and exclusions. If you need to make any changes, please contact our office as soon as possible.

Thank you for allowing us the opportunity to assist you with your insurance needs. If you have any questions, please give me a call.

Sincerely,



Colleen Lauria
Account Representative

encl:

5/16/96
COPY TO DATE H.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURANCE COMPANY THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINES" INSURERS.**
- 2. THE INSURANCE COMPANY IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED COMPANIES.**
- 3. THE INSURANCE COMPANY DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURANCE COMPANY BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. FOR ADDITIONAL INFORMATION ABOUT THE INSURANCE COMPANY YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINES" BROKER OR YOU MAY CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE.**

TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.

**COMMERCIAL LIABILITY
DECLARATIONS**



SCOTTSDALE INSURANCE COMPANY®

8877 North Gainey Center Drive, Scottsdale, Arizona 85258

1-800-423-7675 (outside Arizona)

A STOCK COMPANY

NEW

Renewal of Number

Policy Number

CLS- 326603

NO FLAT CANCELLATION

Item 1. Named Insured and Mailing Address:

SAM ADLEN DBA: ADLEN GROUP ENTERPRISES
8103 S. ALAMEDA ST.
LOS ANGELES, CA 90001

Agent Name and Address:

MONARCH E&S INSURANCE SVCS
2667 CAMINO DEL RIO SOUTH, STE. 307
SAN DIEGO, CA 92108

Agent No: 040042

Item 2. Policy Period ONE YEAR **From:** 2-11-96 **To:** 2-11-97

12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Item 3. Retroactive Date: N/A

Item 4. Business Description: WHOLESALE USED AUTO PARTS

Item 5. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Form No. and Edition Date	Premium
Commercial General Liability Coverage Part	CLS-SD-1 (2-92)	\$ 15,790.00
Professional Liability Coverage Part	NOT COVERED	\$ NOT COVERED
		\$
		\$
		\$
		\$
		\$
		\$
Total		\$ 15,790.00

\$ 473.70 ST

\$ 78.95 FF

\$ 175.00 P/IF

Item 6. Forms and endorsements applicable to all Coverage Parts:

SHOW NUMBERS

SEE ENDT. #1

Countersigned 5-1-96 DK/PI

DATE

By

AUTHORIZED REPRESENTATIVE

THIS COMMERCIAL LIABILITY DECLARATIONS AND THE SUPPLEMENTAL DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

SCOTTSDALE INSURANCE COMPANY

ENDORSEMENT
NO. 1

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE MO-DAY-YR	INSURED	AGENCY AND CODE
CLS 326603	2-11-96	DBA: ADLEN GROUP ENTERPRISES	040042

COMMON POLICY FORMS AND ENDORSEMENTS:

<u>X</u>	CLS-J-2	(02-95)	POLICY JACKET
<u>X</u>	CLS-SD-1	(02-92)	COMMERCIAL GENERAL LIABILITY COVERAGE PART
<u>X</u>	IL 0017	(11-85)	COMMON POLICY CONDITIONS
<u>X</u>	CG 0001	(10-93)	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
<u>X</u>	GLS-83G	(03-92)	EXCLUSION-SUBSIDENCE
<u>X</u>	UTS-128G	(10-94)	OPTIONAL PROVISIONS ENDORSEMENT
			DEDUCTIBLE: B.I. \$ -0- , P.D. \$ -0-
			P.I. \$ -0- , A.I. \$ -0-
			SERVICE OF SUIT CLAUSE: <u>MONARCH E&S INSURANCE SVCS</u>
			MINIMUM & ADVANCE PREMIUM: \$ <u>15,790.00</u>
			MINIMUM EARNED PREMIUM: <u>25 %</u>
<u>X</u>	UTS-182G	(02-94)	AMENDATORY ENDORSEMENT

COMMON OPTIONAL ENDORSEMENTS:

<u>X</u>	UTS-71	(02-91)	BROAD FORM COMPREHENSIVE GENERAL LIABILITY
	GLS-91S	(03-92)	HIRED AUTO AND NON-OWNED AUTO LIABILITY
	GLS-133S	(09-95)	KNOWN INJURY OR DAMAGE EXCLUSION
	UTS-137G	(10-95)	EXCLUSION-ASSAULT AND BATTERY
	CG 2002	(11-85)	A/I - CLUB MEMBERS
	CG 2009	(10-93)	A/I - OWNERS, LESSEES OR CONTRACTORS (FORM A)
	CG 2010	(10-93)	A/I - OWNERS, LESSEES OR CONTRACTORS (FORM B)
	CG 2011	(11-85)	A/I - MANAGERS OR LESSORS OF PREMISES
	CG 2026	(11-85)	A/I - DESIGNATED PERSON OR ORGANIZATION
<u>X</u>	CG 2104	(11-85)	EXCLUSION-PRODUCTS / COMPLETED OPERATIONS
<u>X</u>	CG 2116	(11-85)	EXCLUSION-DESIGNATED PROFESSIONAL SERVICES
<u>X</u>	CG 2135	(11-85)	EXCLUSION-PREMISES MEDICAL
	CG 2138	(11-85)	EXCLUSION-PERSONAL & ADVERTISING LIABILITY
	CG 2139	(10-93)	CONTRACTUAL LIMITATION
<u>X</u>	CG 2144	(11-85)	LIMITATION TO DESIGNATED PREMISES
	CG 2145	(11-85)	EXCLUSION-FIRE DAMAGE LEGAL LIABILITY
<u>X</u>	CG 2147	(10-93)	EXCLUSION-EMPLOYMENT RELATED PRACTICES

UTS-3g(3-92)

AUTHORIZED REPRESENTATIVE / DATE



COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

These Supplemental Declarations form a part of policy number CLS326603

LIMITS OF INSURANCE

General Aggregate Limit (other than Products/Completed Operations)	\$ 1,000,000 .	
Products/Completed Operations Aggregate Limit	\$ EXCLUDED	
Personal and Advertising Injury Limit	\$ 1,000,000 .	
Each Occurrence Limit	\$ 1,000,000 .	
Fire Damage Limit	\$ 100,000 .	any one fire
Medical Expense Limit	\$ EXCLUDED	any one person

BUSINESS DESCRIPTION AND LOCATION OF PREMISES

Form of business:

☒ Individual ☐ Joint Venture ☐ Partnership ☐ Organization (other than Partnership or Joint Venture)

Business description: WHOLESALE USED AUTO PARTS

Location of all premises you own, rent or occupy: 1) 8103 S. ALAMEDA ST., LOS ANGELES, CA 90001
2) 11590 TUXFORD ST., SUN VALLEY, CA 91352

PREMIUM

Classification	Code No.	*Premium Basis	Rate		Advance Premium	
			PR/Co	All Other	Pr/Co	All Other
BUILDINGS/PREMISES OFFICE					\$	\$
INCLUDING PRODUCTS/COMPLETED						
OPERATIONS	61226	s) 10,000,000.	INCL.	1.579	INCL.	15,790.
BROAD FORM COMPREHENSIVE GENERAL LIABILITY						INCLUDED
UTS-71 (2-91)						

FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy)

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

SEE ENDT. # 1

* (a) Area, (c) Total Cost, (m) Admission, (p) Payroll, (s) Gross Sales, (u) Units, (o) Other

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMERCIAL LIABILITY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums, and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions.

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

- (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
 - (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;
- but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions.

This insurance does not apply to:

- a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

- b. "Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement.

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.

d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.

e. To a person injured while taking part in athletics.

f. Included within the "products-completed operations hazard".

g. Excluded under Coverage A.

h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees", other than your "executive officers", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for:

- (1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

- (2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees" or, if you are a partnership or joint venture, by any partner or member.

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or

- (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
- (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
- The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - Your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
- A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - A sidetrack agreement;
 - Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
10. "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

13. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

14.a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

15. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

16. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

17. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

18. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

19. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.



SCOTTSDALE INSURANCE COMPANY

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBSIDENCE EXCLUSION

This policy does not apply to any claim of liability for Bodily Injury or Property Damage caused by, resulting from, attributable or contributed to, or aggravated by the subsidence of land as a result of landslide, mudflow, earth sinking or shifting, resulting from operations of the named insured or any subcontractor of the named insured.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPTIONAL PROVISIONS ENDORSEMENT

In consideration of the premium charged, it is agreed that the following special provisions (indicated by an "X") apply to this policy.

SCHEDULE

- ☒ **Bodily Injury, Property Damage, Personal Injury and Advertising Injury Liability
Deductible Endorsement**

Coverage	Amount and Basis of Deductible	
Bodily Injury Liability	\$ -0-	per claimant
Property Damage Liability	\$ -0-	per claimant
Personal Injury Liability	\$ -0-	per claimant
Advertising Injury Liability	\$ -0-	per claimant

- ☒ **Service of Suit Clause**

Service of Process will be made upon: MONARCH E&S INSURANCE SVCS

- ☒ **Minimum and Advance Premium Endorsement**

Minimum Premium \$ 15,790.

- ☒ **Minimum Earned Premium**

Minimum Earned Premium 25 % of the original premium.

BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY AND ADVERTISING INJURY LIABILITY DEDUCTIBLE ENDORSEMENT

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," "property damage," "personal injury" and "advertising injury," however caused.):

- Our obligation under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any

deductible amounts stated in the Schedule above as applicable to such coverages, and the limits of insurance applicable to "each occurrence" for such coverages will be reduced by the amount of such deductible. "Aggregate" limits for such coverages shall not be reduced by the application of such deductible amount.

- The deductible amounts include all legal and loss adjustment expenses.
- The deductible amounts stated in the Schedule apply under the Bodily Injury Liability, Property Damage Liability, Personal Injury Liability and Advertising Injury Liability Coverages, respectively, to all damages because of

claim or "sur" apply are specific to the application of the deductible amount.

5. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for each part of the deductible amount as has been paid by us.

RESULTS OF THE STUDY

writers in any such suit and/or upon the request of the Insured (or reinsured) to give a written or oral testimony to the Insured (or reinsured) that it is a duly qualified and general appearance upon the Company's behalf and/or to appear in ball in the event of a litigation.

Pursuant to any statute of any state, territory or district of the United States of America, which makes a provision, the Company and/or Underwriters will designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as the authorized official agency upon whom may be served any law suit or in any civil, criminal or insolvency proceeding instituted by any court of law or equity (or a federal or state court of bankruptcy or a court of insolvency or a court of claims or claims court) or by any governmental or non-governmental entity or person for redress of a claim, demand or cause of action, and the person so designated for purposes of a true claim.

The above named the authors' real-life experience through an analysis of a selection of the Chinese's 1980s chapter.

¹³ $\frac{1}{2} \log \frac{1 + \sqrt{1 + 4x}}{1 - \sqrt{1 + 4x}} = \sum_{n=0}^{\infty} \frac{(-1)^n}{n+1} \frac{1}{2^n} \binom{2n}{n} x^n$ (see, e.g., [1, p. 10]).

[illegible]

Advance Premium: The premium that is stated in the policy declaration and payable in full by the first named insured at the inception of the policy.

Audit Premium—The premium that is developed by calculating the difference between the Advance Premium and the Earned Premium.

Earned Premium—The premium that is developed by applying the rate(s) scheduled in the policy to the actual premium basis for the policy period.

Minimum Premium—The lowest premium for which this insurance will be written for the policy period.

REINFORCEMENT LEARNING



SCOTTSDALE INSURANCE COMPANY

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENTS

In consideration of the premium charged it is agreed that the following special provisions apply to this policy.

A. COMMERCIAL GENERAL LIABILITY CONDITIONS AMENDMENT

The Commercial General Liability Condition, When We Do Not Renew, is deleted in its entirety.

B. ASBESTOS EXCLUSION

The coverage afforded by this policy does not apply to Bodily Injury, Personal Injury or Property Damage arising out of:

- A. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
- B. The use of asbestos in construction or manufacturing any good, product or structure; or
- C. The removal of asbestos from any good, product or structure; or
- D. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense of claim or suit related to any of the above.

C. LEAD CONTAMINATION EXCLUSION

This endorsement excludes occurrences at the insured premises which result in:

- A. Bodily Injury arising out of the ingestion, inhalation or absorption of lead in any form:

B. Property Damage arising from any form of lead;

C. Personal Injury arising from any form of lead;

D. Advertising Injury arising from any form of lead;

E. Medical Payments arising from any form of lead;

F. Any loss, cost or expense arising out of any request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or

G. Any loss, cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

D. PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

This policy does not apply to a claim of or indemnification for punitive or exemplary damages.

Punitive or exemplary damages are damages in excess of the amount needed to compensate for bodily injury or property damage which are imposed in order to punish You due to Your particularly wanton, willful or malicious character in order to make an example of or to punish You. Punitive or exemplary damages also include any damages awarded pursuant to statute in the form of double, treble, or other multiple damages in excess of compensatory damages.

If suit is brought against You for a claim falling within coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then

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We will afford a defense to such action; however, We will have no obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

E. CONTRACTORS SPECIAL CONDITIONS

You will obtain certificates of insurance from all independent contractors providing evidence of:

- A. Limits of liability equal to or greater than the limits provided by this policy;
- B. Coverage equal to or greater than the coverages provided by this policy.

Failure to comply with this condition does not alter the coverage provided by this policy. However, should you fail to comply, independent contractors will be considered your employees and a premium charge will be made accordingly. The entire cost of all the work sublet will be used as payroll for the work performed.

F. MEDICAL PAYMENTS EXCLUSION

Coverage C. MEDICAL PAYMENTS (Section I) does not apply and none of the references to it in the Coverage Part apply.

The following is added to SUPPLEMENTARY PAYMENTS (Section I):

- 8. Expenses incurred by the "insured" for first aid to others at the time of an accident for "bodily injury" to which this insurance applies.

G. NUCLEAR ENERGY LIABILITY EXCLUSION

A. The insurance does not apply:

- 1. Under any Liability Coverage to "bodily injury" or "property damage":
 - a. With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

- (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (2) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- 2. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - 3. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material" if:
 - a. The "nuclear material":
 - (1) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured"; or
 - (2) has been discharged or dispersed therefrom.
 - b. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
 - c. The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c. applies only to "property damage" to such "nuclear facility" and any property thereat.

B. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material:

1. containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
2. resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

1. Any "nuclear reactor";
2. Any equipment or device designed or used for:
 - a. separating the isotopes of uranium or plutonium,
 - b. processing or utilizing "spent fuel," or
 - c. handling, processing or packaging "waste";
3. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

H. CANCELLATION

A. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

B. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

1. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
2. 30 days before the effective date of cancellation if we cancel for any other reason.

C. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

D. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

E. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

F. If notice is mailed, proof of mailing will be sufficient proof of notice.

I. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

J. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

K. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

- A. Make inspections and surveys at any time;
- B. Give you reports on the conditions we find; and
- C. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

A. Are safe or healthful; or

B. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

L. PREMIUMS

The first Named Insured shown in the Declarations:

- A. Is responsible for the payment of all premiums; and
- B. Will be the payee for any return premiums we pay.

M. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

AUTHORIZED REPRESENTATIVE

DATE



Scottsdale Insurance Company®

ENDORSEMENT
NO. _____

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

BROAD FORM COMPREHENSIVE GENERAL LIABILITY ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE

This endorsement, effective _____, forms a part of Policy No. _____
(12:01 A.M., standard time)

issued to

by

AUTHORIZED REPRESENTATIVE

SCHEDULE

Personal Injury and Advertising Injury Liability

Aggregate Limit shall be the per occurrence bodily injury liability limit unless otherwise indicated herein.

Limit of Liability \$ 1,000,000. Aggregate

Limit of Liability — Fire Legal Liability Coverage:

\$50,000 per occurrence unless otherwise indicated herein: \$ 100,000. per occurrence.

Advance Premium	Premium Basis
-----------------	---------------

\$ INCL.	<u>15</u> % OF THE TOTAL COMPREHENSIVE GENERAL LIABILITY BODILY INJURY AND PROPERTY DAMAGE PREMIUM AS OTHERWISE DETERMINED.
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\$ INCL. MINIMUM PREMIUM

I. CONTRACTUAL LIABILITY COVERAGE

- (A) The definition of **incidental contract** is extended to include any oral or written contract or agreement relating to the conduct of the **named insured's** business.
- (B) The insurance afforded with respect to liability assumed under an **incidental contract** is subject to the following additional exclusions:
- (1) to **bodily injury** or **property damage** for which the **insured** has assumed liability under any **incidental contract**, if such injury or damage occurred prior to the execution of the **incidental contract**;
 - (2) if the **insured** is an architect, engineer or surveyor, to **bodily injury** or **property damage** arising out of the rendering of or the failure to render professional services by such **insured**, including
 - (a) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and
 - (b) supervisory, inspection or engineering services;
 - (3) if the indemnitee of the **insured** is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of
 - (a) the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or
 - (b) the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the **bodily injury** or **property damage**;
 - (4) to any obligation for which the **insured** may be held liable in an action on a contract by a third party beneficiary for **bodily injury** or **property damage** arising out of a project for a public authority; but this exclusion does not apply to an action by the public authority or any other person or organization engaged in the project;
 - (5) to **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing, but this does not apply to sidetrack agreements.
- (C) The following exclusions applicable to Coverages A (Bodily Injury) and B (Property Damage) do not apply to this Contractual Liability Coverage: (b), (c) (2), (d) and (e).
- (D) The following additional condition applies:
- Arbitration**
The company shall be entitled to exercise all of the **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

- (ii) out of which any **property damage** arises, or
- (iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the **insured**.

(3) with respect to the **completed operations hazard** and with respect to any classification stated in the policy or in the company's manual as "including completed operations", to **property damage** to work performed by the **named insured** arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

(B) The Broad Form Property Damage Liability Coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly.

VI. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

The definition of **bodily injury** is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- (A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
- (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

- (1) expenses incurred by the **insured** for first-aid treatments at the time of an accident and the "Supplementary Payments" provision and the "Insured's Duties in the Event of Occurrence, Claim or Suit" Condition are amended accordingly;
- (2) any **insured** engaged in the business or occupation of providing any of the services described under VI (A) and (B) above;
- (3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under VI (A) and (B) above.

VII. NON-OWNED WATERCRAFT LIABILITY COVERAGE (under 26 feet in length)

Exclusion (e) does not apply to any watercraft under 26 feet in length provided such watercraft is neither owned by the **named insured** nor being used to carry persons or property for a charge.

Where the **insured** is, irrespective of this coverage, covered or protected against any loss or claim which would otherwise have been paid by the company under this endorsement, there shall be no contribution or participation by this company on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise.

VIII. LIMITED WORLDWIDE LIABILITY COVERAGE

The definition of **policy territory** is amended to include the following.

- 4. Anywhere in the world with respect to **bodily injury**, **property damage**, **personal injury** or **advertising injury** arising out of the activities of any **insured** permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or possessions or Canada.

Such insurance as is afforded by paragraph 4 above shall not apply to **bodily injury** or **property damage** included within the **completed operations hazard** or the **products hazard**.

IX. ADDITIONAL PERSONS INSURED

As respects **bodily injury**, **property damage**, and **personal injury** and **advertising injury** coverages, under the provision "Persons Insured", the following are added as **insureds**:

- (A) Spouse—Partnership--If the **named insured** is a partnership, the spouse of a partner but only with respect to the conduct of the business of the **named insured**;
- (B) Employee-- Any employee (other than executive officers) of the **named insured** while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:
 - (1) to **bodily injury** or **personal injury** to another employee of the **named insured** arising out of or in the course of his employment;
 - (2) to **personal injury** or **advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;
 - (3) to **property damage** to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the **named insured**, or by the **named insured** or, if the **named insured** is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

X. EXTENDED BODILY INJURY COVERAGE

The definition of occurrence includes any intentional act by or at the direction of the **insured** which results in **bodily injury**, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

XI. AUTOMATIC COVERAGE--NEWLY ACQUIRED ORGANIZATIONS (90 DAYS)

The word **insured** shall include as **named insured** any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to **bodily injury**, **property damage**, **personal injury** or **advertising injury** with respect to which such new organization under this policy is also an **insured** under any other similar liability or indemnity policy or would be an **insured** under any such policy but for exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date any such organization is acquired or formed by the **named insured**.

All other terms and conditions of this policy remain unchanged.

DATE

UTS-71 (2-91)

AUTHORIZED REPRESENTATIVE

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

- (A) The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies, sustained by any person or organization and arising out of the conduct of the **named insured's** business, within the **policy territory**, and the company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.
- (B) This insurance does not apply:
- (1) to liability assumed by the **insured** under any contract or agreement;
 - (2) to **personal injury** or **advertising injury** arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the **insured**;
 - (3) to **personal injury** or **advertising injury** arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the **named insured** was made prior to the effective date of this insurance;
 - (4) to **personal injury** or **advertising injury** arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the **insured** with knowledge of the falsity thereof;
 - (5) to **personal injury** or **advertising injury** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in the declarations of the policy as a **named insured**;
 - (6) to **advertising injury** arising out of:
 - (a) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or
 - (b) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or
 - (c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.
 - (7) with respect to **advertising injury**
 - (a) to any **insured** in the business of advertising, broadcasting, publishing or telecasting, or
 - (b) to any injury arising out of any act committed by the **insured** with actual malice
- (C) **Limits of Liability**
Regardless of the number of (1) **insureds** hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of **personal injury** or **advertising injury**, the total limit of the company's liability under this coverage for all damages shall not exceed the limit of liability stated in this endorsement as "aggregate"
- (D) **Additional Definitions**
"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the **named insured's** advertising activities, if such injury

arises out of libel, slander, defamation, violation of right of privacy, privacy, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period.

- (1) false arrest, detention, imprisonment, or malicious prosecution;
- (2) wrongful entry or eviction or other invasion of the right of private occupancy;
- (3) a publication or utterance
 - (a) of a libel or slander or other defamatory or disparaging material, or
 - (b) in violation of an individual's right of privacy; except publications or utterances in the course of or related to the advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the **named insured** shall not be deemed **personal injury**.

III. HOST LIQUOR LAW LIABILITY COVERAGE

Exclusion (h) does not apply with respect to liability of the **insured** or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the **named insured's** business, provided the **named insured** is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

IV. FIRE LEGAL LIABILITY COVERAGE — REAL PROPERTY

With respect to **property damage** to structures or portions thereof rented to or leased to the **named insured**, including fixtures permanently attached thereto, if such **property damage** arises out of fire:

- (A) All of the exclusions of the policy, other than the Nuclear Energy Liability Exclusion (Broad Form), are deleted and replaced by the following:

This insurance does not apply to liability assumed by the **insured** under any contract or agreement
 - (B) The limit of **property damage** liability as respects this Fire Legal Liability Coverage — Real Property is \$50,000 each **occurrence** unless otherwise stated in the Schedule of this endorsement
 - (C) The Fire Legal Liability Coverage — Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the **insured**, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the policy is amended accordingly
- ## V. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (Including Completed Operations)
- This insurance for **property damage** liability applies, subject to the following additional provisions:
- (A) Exclusions (k) and (c) are replaced by the following:
 - (1) to property owned or occupied by or rented to the **insured**, or, except with respect to the use of elevators, to property held by the **insured** for sale or entrusted to the **insured** for storage or safekeeping;
 - (2) except with respect to liability under a written sidetrack agreement or the use of **elevators**
 - (a) to property while on premises owned by or rented to the **insured** for the purpose of having operations performed on such property by or on behalf of the **insured**,
 - (b) to tools or equipment while being used by the **insured** in performing his operations,
 - (c) to property in the custody of the **insured** which is to be installed, erected or used in construction by the **insured**
 - (d) to that particular part of any property, not on premises owned by or rented to the **insured**,
 - (e) upon which operations are being performed by or on behalf of the **insured** at the time of the **property damage** arising out of such operations, or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION — PRODUCTS — COMPLETED OPERATIONS
HAZARD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

This insurance does not apply to "bodily injury" or "property damage" included within the "products — completed operations hazard."

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION—DESIGNATED PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Description of Professional Services:

- 1.
- 2.
- 3.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any professional services shown in the Schedule, this insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" due to the rendering or failure to render any professional service.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Premises:

Project:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury," "property damage," "personal injury," "advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 21 35 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - COVERAGE C - MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Premises or Classification:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule, coverage C. MEDICAL PAYMENTS (Section I) does not apply and none of the references to it in the Coverage Part apply.

The following is added to SUPPLEMENTARY PAYMENTS (Section I):

8. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B.** The following exclusion is added to paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):

This insurance does not apply to:

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

In Witness Whereof, the Company has caused this policy to be executed and attested.

Handwritten signature of Robert E. McCutcheon in cursive script.

Secretary

Handwritten signature of Vickie J. Kartchner in cursive script.

President



SCOTTSDALE INSURANCE COMPANY®

8877 North Gainey Center Drive • Scottsdale, Arizona 85258

Item 1. Named Insured and Mailing Address:

U-PICK -PARTS, ETAL (PER END'T.#2)
C/O AADLEN BROTHERS AUTO WRECKING
11590 TUXFORD STREET
SUN VALLEY, CA 91352

POLICY PROVISIONS — PART A

SCOTTSDALE INSURANCE COMPANY

(A stock insurance company, herein called the company)

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows:

DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"collapse hazard" includes "structural property damage" as defined herein and property damage to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The collapse hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard or the underground property damage hazard, or (3) for which liability is assumed by the insured under an incidental contract;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the named insured under the contract have been completed;
- (2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

- (a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

- (c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"explosion hazard" includes property damage arising out of blasting or explosion. The explosion hazard does not include property damage (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (2) arising out of operations performed for the named insured by independent contractors, or (3) included within the completed operations hazard or the underground property damage hazard, or (4) for which liability is assumed by the insured under an incidental contract;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) side-hack agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. 2

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

NAMED INSURED ENDORSEMENT

U-PIC-PARTS, AADLEN BROTHERS AUTO WRECKING AND SAMSON AUTO SALVAGE, BROTHERS FOREIGN CAR AND WRECKING, UNIVERSAL AUTO WRECKING, AMERICAN TRUCK SALES, A FORIEGN AUTO WRECKING, CALIFORNIA CARE HIKERS, BROTHERS AUTO SALES, A-U-PICK PARTS.

AUTHORIZED REPRESENTATIVE

DATE

**SCOTTSDALE INSURANCE COMPANY
COMMERCIAL GENERAL LIABILITY FORMS**

NAMED INSURED: U-PICK-PARTS, ETAL
POLICY #: GLS 506410

EFFECTIVE: 01-24-94
AGENT #: 040032

ENDORSEMENT # 1

<u>X</u>	UTS-74	(02-92)	PUNITIVE/EXEMPLARY DAMAGE
<u>X</u>	UTS-119G	(04-92)	MINIMUM & EARNED 25%
<u>X</u>	UTS-4	(03-92)	DED. END'T B.I. <u>\$2,500.</u> , P.D <u>\$2,500.</u>
<u>X</u>	UTS-9G	(05-92)	SERVICE OF SUIT
<u>X</u>	UTS-131G	(03-92)	ASBESTOS EXCLUSION
<u>X</u>	L6157B	(06-75)	AMENDMENT OF PERSONS INSURED PROVISION
<u>X</u>	L6178	(04-84)	AMENDATORY ENDORSEMENT
<u>X</u>	L9235	(07-78)	LOADING & UNLOADING
<u>X</u>	L203	(10-77)	SINGLE LIMIT <u>\$ 1,000,000.</u>
<u>X</u>	GU-235	(05-86)	POLLUTION EXCLUSION
<u>X</u>	GU-245	(10-84)	AMENDATORY END'T PREJUDGMENT INTEREST
<u>X</u>	GLS-58A	(10-91)	LEAD CONTAMINATION
<u>X</u>	GLS-J-1	(04-91)	POLICY JACKET

<u>X</u>	UTS-2G	(03-92)	ENDORSEMENT # <u>2</u>
	UTS-2	(08-86)	"30 D.N.O.C." END'T # _____
<u>X</u>	UTS-72	(06-90)	
<u>X</u>	UTS-12	(08-91)	MIN & DEPOSIT <u>\$ 81,455.</u>
<u>X</u>	GLS-30	(04-92)	CONTRACTORS SPECIAL CONDITIONS
	UTS-34	(04-83)	PROFESSIONAL LIABILITY
	GLS-44	(11-90)	SEXUAL &/OR PHYSICAL ABUSE
	GLS-45	(11-90)	SEXUAL &/OR PHYSICAL ABUSE
	GLS-49	(01-91)	AMENDMENT TO OTHER INSURANCE
	UTS-69	(12-89)	ERRORS & OMISSIONS EXTENSION
	UTS-70	(12-89)	ERRORS & OMISSIONS DETECTIVE OR PATROL
	UTS-71	(02-91)	BROAD FORM CGL
	GLS-83G	(03-92)	SUBSIDENCE OF LAND EXCLUSION
	UTS-137G	(03-92)	ASSUALT & BATTERY EXCLUSION
	8-1414	(03-80)	A/I - LEASED EQUIPMENT
	L6349	(09-82)	NON OWNED AUTOMOBILE
	L9100	(07-66)	CLUBS
	L9101	(07-66)	DUCK CLUBS
	L9104	(07-66)	A/I - CONTROLLING INTEREST
	L9109	(07-66)	A/I - PREMISES LEASED TO THE INSURED
	L9132	(11-69)	REAL PROPERTY LIABILITY - FIRE
	L9139	(07-66)	ATHLETIC PARTICIPANTS EXCLUSION
	L9141	(07-66)	EXCLUSION - CO-OPS & PRODUCTS HAZARD
	L9153	(07-66)	PROFESSIONAL EXCLUSION "C"
<u>X</u>	L9156	(10-66)	PRODUCTS - EXCLUSION
	L9193	(07-66)	COMPLETED OPERATIONS & PRODUCTS INCLUDED
	L9194	(07-66)	PRODUCTS - REDEFINED
	L9452	(01-73)	A/I - CONTRACTORS
	L9467A	(01-74)	SCHOOLS & COLLEGES
	L9486	(01-73)	BFPD INCLUDING CO-OPS
	M6	(06-88)	ADDITIONAL INSURED

COVERAGE PARTS

<u>X</u>	L6395A	(01-73)		L6415	(01-73)		L6408	(01-73)
<u>X</u>	L9300	(04-73)		L6414	(01-73)		L6419	(01-73)
	L6411	(01-73)		L6398	(01-73)		L6391	(01-73)
	L6400	(01-73)						

COMPREHENSIVE GENERAL LIABILITY INSURANCE

For attachment to Policy No. GLS 506410, to complete said policy.

ADDITIONAL DECLARATIONS

Location of all premises owned by, rented to or controlled by the named insured (ENTER "SAME" IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1 OF DECLARATIONS)

SEE BELOW

Interest of named insured in such premises (CHECK BELOW)

☐ Owner ☐ General Lessee ☒ Tenant ☐ Other _____

Part occupied by named insured (ENTER BELOW)

PORTION

The following discloses all hazards insured hereunder known to exist at the effective date of this policy, unless otherwise stated herein.

SCHEDULE

The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Coverages	Limits of Liability		Advance Premiums
	each occurrence	aggregate	
A—Bodily Injury Liability	\$ SEE L203	\$ ATTACHED	\$81,455.
B—Property Damage Liability	\$ SEE L203	\$ ATTACHED	\$ INCL.
Form numbers of endorsements attached at issue			\$
Total Advance Premium			\$81,455.

General Liability Hazards

Description of Hazards	Code No.	Premium Bases	Rates		Advance Premiums	
			B.I.	P.D.	Bodily Injury	Property Damage
Premises - Operations PER EXTENSION SCHEDULE ON FORM L9300(4.73) ATTACHED.		(a) Area (Sq. Ft.) (b) Frontage (c) Remuneration (d) Receipts (e) Units (f) Admissions	(a) Per 100 Sq. Ft. of Area (b) Per Linear Foot (c) Per \$100 of Remuneration (d) Per \$100 of Receipts (e) Per Unit (f) Per 100 Admissions		81,455.	INCL.
Escalators (Number at Premises) NOT COVERED		Number Insured	Per Landing			
Independent Contractors CONSTRUCTION OPERATIONS- CONTRACTOR	16291	Cost IF ANY	Per \$100 of Cost			
			INCL.	INCL.	INCL.	INCL.
Completed Operations SELF SERVICE AUTO DISMANTLING, RATED AS: AUTOMOBILE DISMANTLING-INCLUDING SALVAGE OR JUNKING OF PARTS & STORE OPERATIONS	59993	(a) Receipts INCL.	(a) Per \$1,000 of Receipts			
			INCL.	INCL.	INCL.	INCL.
Products INCLUDED		(b) Sales INCL.	(b) Per \$1,000 of Sales			
			INCL.	INCL.	INCL.	INCL.
Total Advance B.I. and P.D. Premiums					\$81,455.	\$ INCL.

When used as a premium basis:

- "admissions" means the total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes;
- "cost" means the total cost to the named insured with respect to operations performed for the named insured during the policy period by independent contractors of all work let or sub-let in connection with each specific project, including the cost of all labor, materials and equipment furnished, used or

I. COVERAGE A—BODILY INJURY LIABILITY
COVERAGE B—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

- A. bodily injury or**
B. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- 1a) to liability assumed by the insured under any contract or agreement except an incidental contract, but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or of a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- 1b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (1) any automobile or aircraft owned or operated by or rented or loaned to the insured; or
 - (2) any other automobile or aircraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;
- 1c) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or tracks designed for use (herewith);
- 1d) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by, or rented or loaned to any insured;
- 1e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (1) any watercraft owned or operated by or rented or loaned to any insured; or
 - (2) any other watercraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the named insured;
- 1f) to bodily injury or property damage arising out of the discharge, release or escape of smoke, vapors, soot, fumes, acids, alkalis, oils, toxic liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water bodies or body of water, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- 1g) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or omission incident to any of the foregoing, with respect to:
 - (1) liability assumed by the insured under an incidental contract; or
 - (2) expenses for first aid under the Supplementary Payments provision;
- 1h) to bodily injury or property damage for which the insured or his indemnitee may be held liable:
 - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
 - (2) if not so engaged, as an owner or lessor of premises used for such purposes;if such liability is imposed:
 - 1i) by or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
 - 1j) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol in which case the insured or his indemnitee as an owner or lessor described in 1h) above, but part 1i) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in 1h) above;
- 1i) to any obligation for which the insured or any carrier as the insured or may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- 1j) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- 1k) to property damage to:
 - (1) property owned or occupied by or rented to the insured;
 - (2) property used by the insured; or
 - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured;
- 1l) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- 1m) to loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement; or
 - (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the

named insured after such products or work have been put to use by any person or organization other than an insured;

- 1n) to property damage to the named insured's products arising out of such products or any part of such products;
- 1o) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- 1p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- 1q) to property damage included within:
 - (1) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "x";
 - (2) the collapse hazard in connection with operations identified in this policy by a classification code number which includes the symbol "c";
 - (3) the underground property damage hazard in connection with operations identified in this policy by a classification code number which includes the symbol "u";

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- 1) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
- 2) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- 3) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- 4) any person other than an employee of the named insured, or organization while acting as real estate manager for the named insured; and
- 5) with respect to the operation, for the purpose of illumination upon a public highway, of mobile equipment registered under any motor vehicle registration law:
 - a) an employee of the named insured while operating any such equipment in the course of his employment; and
 - b) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;provided that no person or organization shall be an insured under this paragraph (5) with respect to:
 - (1) bodily injury to any fellow employee of such person injured in the course of his employment; or
 - (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (5).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

Coverage A—The total liability of the company for all damages, including damages for time and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

Coverage B—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate".

- (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
- (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations; but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;

- (3) all property damage included within the products hazard and all property damage included within the completed operations hazard;

Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

IV. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs within the policy territory.



EXTENSION SCHEDULE

Policy
No.

- ☒ Comprehensive General Liability Insurance
☐ Owners', Landlords' and Tenants' Liability Insurance
☐ Manufacturers' and Contractors' Liability Insurance

Description of Hazards	Code No.	Premium Bases*	Rates*		Advance Premiums	
			B.I.	P.D.	Bodily Injury	Property Damage
Premises - Operations						
SELF SERVICE AUTOMOBILE DISMANTLING, RATED AS: AUTOMOBILE DISMANTLING- INCLUDING SALVAGE OR JUNKING OF PARTS AND STORE OPERATIONS-RENTAL. 75490						
LOC. 1) 11590 TUXFORD STREET SUN VALLEY, CA 91352		D) 486,000	11.00	INCL.	5346.	INCL.
LOC. 2) 8103 S. ALAMEDA STREET SUN VALLEY, CA 91352		D) 1,426,500	11.00	INCL.	15,692.	INCL.
LOC. 3) 11490 PENROSE STREET SUN VALLEY, CA 91352		D) 3,302,000	11.00	INCL.	36,322.	INCL.
LOC. 4) 8520 TELFAIR STREET SUN VALLEY, CA 91352		D) 1,325,500	11.00	INCL.	14,580.	INCL.
METAL SCRAP DEALERS 50871						
LOC. 1) 11590 TUXFORD STREET SUN VALLEY, CA 91352		D) 2,700,000	2.750	INCL.	7,425.	INCL.
LOC. 2) 8103 S. ALAMEDA STREET SUN VALLEY, CA 91352		D) 760,000	2.750	INCL.	2,090.	INCL.

Total Advance B.I. and P.D. Premiums \$ INCL. \$ INCL.
Total Advance Premium \$ ON FORM L6395A
(1-73)

*Same Rate and Premium Bases as shown on the applicable Coverage Part.



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

In consideration of the premium charged, it is agreed that this policy shall not apply to a claim of or indemnification for punitive or exemplary damages.

Punitive or exemplary damages are damages in excess of the amount needed to compensate for bodily injury or property damage which are imposed in order to punish the **INSURED** due to the particularly wanton, willful or malicious character of the **INSURED'S** wrongdoing in order to make an example of or to punish the **INSURED**. Punitive or exemplary damages also include any damages awarded pursuant to statute in the form of double, treble, or other multiple damages in excess of compensatory damages.

If suit is brought against the **INSURED** for a claim falling within coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action; however, the Company shall have no obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

If this policy is cancelled at the request of the INSURED, the total retained by the Company shall not be less than 25 % of the original premium.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Company/ or Underwriters to pay any amount claimed to be due under this policy, the Company/ or Underwriters at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court.

It is further agreed that service of process in such suit may be made upon _____

MONARCH E&S INSURANCE SERVICES

and that in any suit instituted against any one of them under this contract, the Company/ or Underwriters agree to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of the Company/ or Underwriters in any such suit and/ or upon the request of the Insured (or reinsured) to give a written undertaking to the Insured (or reinsured) that it or they will enter a general appearance upon the Company's/ or Underwriter's behalf in the event a suit is instituted.

Pursuant to any statute of any state, territory or district of the United States of America, which makes a provision, the Company/ or Underwriters will designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance). The above named is designated as the person to whom the officer is authorized to mail the process or a true copy.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)						INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01	NOON			
				A.M.				

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

If this policy is cancelled at the request of the INSURED, the total retained by the Company shall not be less than _____25____ % of the original premium.

AUTHORIZED REPRESENTATIVE

DATE

SCOTTSDALE INSURANCE COMPANY[®]ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIABILITY DEDUCTIBLE ENDORSEMENT**SCHEDULE**

Amount of Deductible	Coverage
\$ <u>2,500.</u> per claimant	BODILY INJURY Liability
\$ <u>2,500.</u> per claimant	PROPERTY DAMAGE Liability

It is hereby understood and agreed that:

1. The Company's obligation under the BODILY INJURY Liability and PROPERTY DAMAGE Liability Coverages to pay damages on behalf of the INSURED applies only to the amount of damages in excess of any deductible amounts stated in the schedule above as applicable to such coverages.
2. The deductible amounts include all legal and loss adjustment expenses.
3. The deductible amounts stated in the schedule applies under the BODILY INJURY Liability or PROPERTY DAMAGE Liability Coverage, respectively, to all damages because of BODILY INJURY sustained by one person, or to all PROPERTY DAMAGE sustained by one person, any organization or association or any individual member of any organization or association, as the result of any one OCCURRENCE.

4. The terms of the policy, including those with respect to:
 - (a) the Company's rights and duties with respect to the defense of suits; and
 - (b) the INSURED'S duties in the event of an OCCURRENCE apply irrespective of the application of the deductible amount.
5. The Company may pay part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the NAMED INSURED shall promptly reimburse the Company for such part of the deductible amount as has been paid by the Company.

APPLICATION OF ENDORSEMENT: (Enter here any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to all loss, however caused.)

AUTHORIZED REPRESENTATIVE_____
DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

The coverage afforded by this policy does not apply to bodily injury, personal injury or property damage arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
2. The use of asbestos in construction or manufacturing any good, product or structure; or
3. The removal of asbestos from any good, product or structure; or

4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense of claim or suit related to any of the above.

AUTHORIZED REPRESENTATIVE

DATE

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

L 6178
(4-84)

LIABILITY

GL 00 32 (Ed. 04 84)

AMENDATORY ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', AND LANDLORDS' AND TENANTS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
STOREKEEPER'S INSURANCE
SMP LIABILITY INSURANCE

This endorsement, effective _____, forms a part of policy No.

(12:01 A.M., standard time)

issued to

by

Authorized Representative

It is agreed that the exclusion relating to **bodily injury** to any employee of the **insured** is deleted and replaced by the following:

This insurance does not apply:

- (i) to **bodily injury** to any employee of the **insured** arising out of and in the course of his employment by the **insured** for which the **insured** may be held liable as an employer or in any other capacity;
- (ii) to any obligation of the **insured** to indemnify or contribute with another because of damages arising out of the **bodily injury**; or
- (iii) to **bodily injury** sustained by the spouse, child, parent, brother, or sister of an employee of the **insured** as a consequence of **bodily injury** to such employee arising out of and in the course of his employment by the **insured**;

This exclusion applies to all claims and suits by any person or organization for damages because of such **bodily injury** including damages for care and loss of services.

This exclusion does not apply to liability assumed by the **insured** under an **incidental contract**.



(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

L 9235
(7-78)

LIABILITY

GL 00 19 (Ed. 7-78)

GENERAL LIABILITY
AMENDATORY ENDORSEMENT—ADDITIONAL DEFINITION

This endorsement, effective _____, forms a part of policy No. _____
(12:01 A.M., standard time)
issued to _____
by _____

Authorized Representative

It is agreed that the following definition is added:

“loading or unloading”, with respect to an **automobile**, means the handling of property after it is moved from the place where it is accepted for movement into or onto an **automobile** or while it is in or on an **automobile** or while it is being moved from an **automobile** to the place where it is finally delivered, but “loading or unloading” does not include the movement of property by means of a mechanical device (other than a hand truck) not attached to the **automobile**.



(ISO-Adv. 3003)

AMENDMENT—LIMITS OF LIABILITY
(Single Limit)
(Individual Coverage Aggregate Limit)

SCHEDULE

Coverages	Limits of Liability
Bodily Injury Liability and Property Damage Liability	\$ 1,000,000 each occurrence \$ 1,000,000 aggregate

It is agreed that the provisions of the policy captioned "LIMITS OF LIABILITY" relating to Bodily Injury Liability and Property Damage Liability are amended to read as follows:

LIMITS OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, (3) claims made or suits brought on account of **bodily injury** or **property damage** or (4) **automobiles** or units of **mobile equipment** to which this policy applies, the company's liability is limited as follows:

Bodily Injury Liability and Property Damage Liability:

- (a) The limit of liability stated in the Schedule of this endorsement as applicable to "each **occurrence**" is the total limit of the company's liability for all **damages** because of **bodily injury** or **property damage** as a result of any one **occurrence**, provided that with respect to any **occurrence** for which notice of this policy is given in lieu of security or when this policy is certified as proof of financial responsibility under the provisions of the Motor Vehicle Financial Responsibility Law of any state or province such limit of liability shall be applied to provide the separate limits required by such law for Bodily Injury Liability and Property Damage Liability to the extent of the coverage required by such law, but the separate application of such limit shall not increase the total limit of the company's liability.
- (b) If an aggregate amount is stated in the Schedule, then subject to the above provision respecting "each **occurrence**", the total liability of the company for all **damages** because of all **bodily injury** and **property damage** which occurs during each annual period while this policy is in force commencing from its effective date and which is described in any of the numbered subparagraphs below shall not exceed the limit of liability stated in the Schedule of this endorsement as "aggregate":
- (1) all **property damage** arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including **property damage** for which liability is assumed under any **incidental contract** relating to such premises or operations, but excluding

property damage included in subparagraph (2) below;

- (2) all **property damage** arising out of and occurring in the course of operations performed for the **named insured** by independent contractors and general supervision thereof by the **named insured**, including any such **property damage** for which liability is assumed under any **incidental contract** relating to such operations, but this subparagraph (2) does not include **property damage** arising out of maintenance or repairs at premises owned by or rented to the **named insured** or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) if Products-Completed Operations Insurance is afforded, all **bodily injury** and **property damage** included within the **completed operations hazard** and all **bodily injury** and **property damage** included within the **products hazard**; and
- (4) if Contractual Liability Insurance is afforded, all **property damage** for which liability is assumed under any contract to which the Contractual Liability Insurance applies.

Such aggregate limit shall apply separately:

- (i) to the **property damage** described in subparagraphs (1) and (2) and separately with respect to each project away from premises owned by or rented to the **named insured**;
- (ii) to the sum of the **damages** for all **bodily injury** and **property damage** described in subparagraph (3); and
- (iii) to the **property damage** described in subparagraph (4) and separately with respect to each project away from premises owned by or rented to the **named insured**.
- (c) For the purpose of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.



This endorsement must be attached to the Change Endorsement when issued after the policy is written.

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 245
(10-84)

IL 00 18 (Ed. 10 84)

AMENDATORY ENDORSEMENT PREJUDGMENT INTEREST

This endorsement, effective _____, forms a part of Policy No.
(12:01 A.M., standard time)

issued to

by

Authorized Representative

The following is added to the Supplementary Payments provision in this policy:

The Company will pay, in addition to the applicable limit of liability, prejudgment interest awarded against the **insured** on that part of the judgment the Company pays. If the Company makes an offer to pay the applicable limit of its liability, the Company will not pay any prejudgment interest based on that period of time after the offer.



(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

IL 09 28 (Ed. 05 86)
POLLUTION EXCLUSION

GU 235
(Ed. 5-86)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

**BUSINESSOWNERS POLICY
COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE**

This endorsement, effective _____, forms a part of Policy No. _____

(12:01 A.M., standard time)

issued to _____

by _____

Authorized Representative

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

- (1) to **bodily injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
- (a) at or from premises owned, rented or occupied by the named insured;
 - (b) at or from any site or location used by or for the named insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the named insured or any person or organization for whom the named insured may be legally responsible; or
 - (d) at or from any site or location on which the named insured or any contractors or subcontractors working directly or indirectly on behalf of the named insured are performing operations:
 - (i) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- (2) to any loss, cost or expense arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Subparagraphs (a) and (d)(i) of paragraph (1) of this exclusion do not apply to **bodily injury or property damage** caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.





SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under:

**COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SMP LIABILITY INSURANCE**

EXCLUSION—LEAD CONTAMINATION

This endorsement modifies the above Coverages to exclude occurrences which result in:

- a. **Bodily Injury** arising out of the ingestion, inhalation or absorption of lead in any form; or
- b. **Property Damage** arising from any form of lead; or
- c. Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
- d. Any loss, cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY

ENDORSEMENT
NO. 000109

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12.01 A.M.	NOON		
GLS506410	01	24	94	X		U-PICK-PARTS, ETAL	MONARCH E&S 040032

ENDORSEMENT

In the event Scottsdale Insurance Company fails to pay any loss which is payable under this policy as a result of its insolvency, Nationwide Mutual Insurance Company agrees it shall become liable for the loss after receiving written notice and demand for payment from the insured. Any payment shall be subject to and limited by the terms and conditions of this policy.

Nationwide Mutual Insurance Company

President



SCOTTSDALE INSURANCE COMPANY[®]

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM AND DEPOSIT ENDORSEMENT

This endorsement modifies the condition(s) relating to Premium on the policy. In the event that a similar condition is already contained in the policy, the provision of this endorsement shall take precedence over such similar condition.

Premium: All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in the policy as "total advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period, the earned premium shall be computed for such period and upon notice thereof to the Named Insured, shall become due and payable.

The Earned Premium will be determined at the rates as scheduled in the policy, subject to a Minimum Premium of **\$ 81,455.00**. If the Earned Premium so computed exceeds the Deposit Premium, the Named Insured shall pay the excess to the Company; if less, the Company shall retain the Minimum Premium. For the purposes of this policy, the terms deposit, minimum, earned, advance and audit premium shall be defined as follows:

Deposit Premium—that premium which is stated in the policy declarations and payable in full by the Insured at the inception of the policy.

Minimum Premium—is the lowest amount for which this insurance will be written for the policy period (applicable to such classification(s) as indicated in the schedule).

Earned Premium—the premium which is developed by applying the rate(s) scheduled in the policy to the actual exposure base for the policy period.

Advance Premium—the premium that is stated in the policy declarations and payable in full by the Named Insured at the inception of the policy.

Audit Premium—the premium that is developed by calculating the difference between the Advance Premium and Earned Premium.

The Named Insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Company at the end of the policy period and at such times during the policy period as the Company may direct.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned policy, other than as above stated.

AUTHORIZED REPRESENTATIVE

DATE



SCOTTSDALE INSURANCE COMPANY®

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS SPECIAL CONDITIONS

It is hereby understood and agreed that the following condition is included as a part of this policy:

The insured will obtain certificates of insurance from all independent contractors providing evidence of:

1. Limits of liability equal to or greater than the limits provided by this policy;
2. Coverage equal to or greater than the coverages provided by this policy.

Failure to comply with this condition does not alter the coverage provided by this policy. However, should the insured fail to comply, for the sole purpose of computing rates and premium, independent contractors will be considered employees of the insured and a premium charge will be made accordingly. The entire cost of all work sublet will be used as payroll for the work performed.

AUTHORIZED REPRESENTATIVE

DATE

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 21 18 (Ed. 07 66)
G 319

L 9156
(Ed. 10-66)

EXCLUSION
(Named Insured's Products)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

**COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE**

This endorsement, effective

(12:01 A. M., standard time)

, forms a part of policy No.

issued to

by

.....
Authorized Representative

Description of Operations:

PER L6395A (1-73) ATTACHED

It is agreed that such insurance as is afforded by the Bodily Injury Liability Coverage and the Property Damage Liability Coverage for the operations described in this endorsement does not apply to bodily injury or property damage arising out of (1) the named insured's products, or (2) reliance upon a representation or warranty made with respect thereto if the bodily injury or property damage occurs after physical possession of such products has been relinquished to others whether such bodily injury or property damage occurs on premises owned by or rented to the named insured or elsewhere.

Insert Part B here so that top edge butts against above fold to permit policy number, Insured's name and address on Part B to appear through window.

Attach Coverage Part(s) and Endorsement(s) (If Any) Here

8. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. **Assignment:** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded by this policy shall apply (1) to the named insured's legal representative, as the named insured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the named insured, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. **Three Year Policy:** If this policy is issued for a period of three years any limit of the company's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

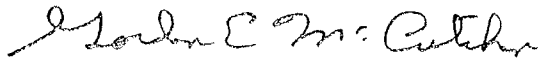
11. **Cancellation:** This policy may be cancelled by the named insured by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be

effective. This policy may be cancelled by the company by mailing to the named insured at the address shown in this policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the company shall be equivalent to mailing.

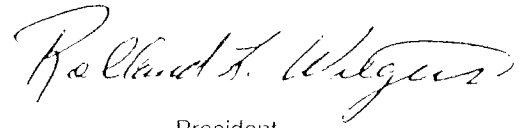
If the named insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

12. **Declarations:** By acceptance of this policy, the named insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this insurance.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



Secretary



President

HOME OFFICE SCOTTSDALE, ARIZONA

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)

This endorsement modifies the provisions of this policy relating to **ALL AUTOMOBILE LIABILITY, GENERAL LIABILITY AND MEDICAL PAYMENTS INSURANCE OTHER THAN FAMILY AUTOMOBILE, SPECIAL PACKAGE AUTOMOBILE, COMPREHENSIVE PERSONAL AND FARMER'S COMPREHENSIVE PERSONAL INSURANCE.**

It is agreed that:

I. This policy does not apply:

A. Under any Liability Coverage, to **bodily injury or property damage**

- (1) with respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

C. Under any Liability Coverage, to **bodily injury or property damage** resulting from the hazardous properties of nuclear material, if

- (1) the nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) the **bodily injury or property damage** arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

II. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or by-product material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (a) containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (b) resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility;

"nuclear facility" means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.

NEW YORK EXCEPTION: The "Nuclear Energy Liability Exclusion Endorsement (Broad Form)" does not apply to Automobile Liability Insurance in New York.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURANCE COMPANY THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINES" INSURERS.**
- 2. THE INSURANCE COMPANY IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED COMPANIES.**
- 3. THE INSURANCE COMPANY DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURANCE COMPANY BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. FOR ADDITIONAL INFORMATION ABOUT THE INSURANCE COMPANY YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINES" BROKER OR YOU MAY CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE.**

SCOTTSDALE INSURANCE COMPANY

6991 EAST CAMELBACK ROAD
SCOTTSDALE, ARIZONA 85251

☒ Owner ☐ General Lessee ☐ Tenant ☐ Other _____
Part occupied by named insured (ENTER BELOW)

ENTIRE
The following discloses all hazards insured hereunder known to exist at the e

POLICY PROVISIONS — PART A

86-87

LOU KRAUSHAR

123 Fair Oaks Blvd. (at El Camino)
Carmichael, California 95608
483-0415 Res. 955-4100

SCOTTSDALE INSURANCE COMPANY

(A stock insurance company, herein called the company)

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows:

DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads including any machinery or apparatus attached thereto, but does not include mobile equipment;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"collapse hazard" includes "structural property damage" as defined herein and property damage to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The collapse hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard or the underground property damage hazard, or (3) for which liability is assumed by the insured under an incidental contract;

"completed operations hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the named insured under the contract have been completed;
- (2) when all operations to be performed by or on behalf of the named insured at the site of the operations have been completed; or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, in connection, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include bodily injury or property damage arising out of

- (a) operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

- (c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hoist or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"explosion hazard" includes property damage arising out of blasting or explosion. The explosion hazard does not include property damage (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (2) arising out of operations performed for the named insured by independent contractors, or (3) included within the completed operations hazard or the underground property damage hazard, or (4) for which liability is assumed by the insured under an incidental contract;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) side-track agreement, or (5) elevator maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the named insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type), graders, scrapers, rollers and other road construction or repair equipment; air compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1. of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, including any container thereof (other than a vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"policy territory" means:

- (1) the United States of America, its territories or possessions, or Canada, or
- (2) international waters or air space, provided the bodily injury or property damage does not occur in the course of travel or transportation to or from any other country, state or nation, or
- (3) anywhere in the world with respect to damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory,

"products hazard" includes bodily injury and property damage arising out of the named insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

"properly damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period;

"underground property damage hazard" includes underground property damage as defined herein and property damage to any other property at any time resulting therefrom. "Underground property damage" means property damage to pipes, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose

SUPPLEMENTAL PAYMENTS

The company will pay, in addition to the applicable limit of liability:

- (a) all expenses incurred by the company, all costs taxed against the insured in any suit defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required

of grading land, paving, excavating, drilling, boring, lifting, back-filling or pile driving. The underground property damage hazard does not include property damage (1) arising out of operations performed for the named insured by independent contractors, or (2) included within the completed operations hazard, or (3) for which liability is assumed by the insured under an incidental contract.

(c) the insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or furnish any such bonds;

- (c) expenses incurred by the insured for first aid to others at the time of an accident, for bodily injury to which this policy applies;
- (d) reasonable expenses incurred by the insured at the company's request in assisting the company in the investigation or defense of any claim in suit, including actual loss of earnings not to exceed \$25 per day.

CONDITIONS

1. **Premium:** All premiums for this policy shall be computed in accordance with the company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period for part thereof terminating with the end of the policy period designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

The named insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. **Inspection and Audit:** The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Financial Responsibility Laws:** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for bodily injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

4. **Insured's Duties in the Event of Occurrence, Claim or Suit:**

- (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.
- (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.
- (c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage

with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. **Action Against Company:** No action shall be against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party in any action against the insured to determine the insured's liability, nor shall the company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. **Other Insurance:** The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss in an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

7. **Subrogation:** In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery thereafter against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

COMPREHENSIVE GENERAL LIABILITY INSURANCE

For attachment to Policy No. GLS 062014 to complete said policy.

ADDITIONAL DECLARATIONS

Location of all premises owned by, rented to or controlled by the named insured (ENTER SAME IF SAME LOCATION AS ADDRESS SHOWN IN ITEM 1 OF DECLARATION)

SAME

Interest of named insured in such premises (CHECK BELOW)

☒ Owner ☐ General Lessee ☐ Tenant ☐ Other

Part occupied by named insured (ENTER BELOW)

ENTIRE

The following discloses all hazards insured hereunder known to exist at the effective date of this policy, unless otherwise stated herein.

SCHEDULE

The insurance afforded is only with respect to such of the following Coverages as are indicated by specific premium charge or charges. The limit of the company's liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

Coverages	Limits of Liability		Advance Premiums
	each occurrence	aggregate	
A—Bodily Injury Liability	\$ SEE L203	\$ ATTACHED	\$ 16,250.00
B—Property Damage Liability	\$ SEE L203	\$ ATTACHED	\$ INCLUDED
Form numbers of endorsements attached at issue			\$
		Total Advance Premium	\$ 16,250.00

General Liability Hazards

Description of Hazards	Code No.	Premium Basis	Rates		Advance Premiums	
			B.I.	P.D.	Bodily Injury	Property Damage
Premises - Operations AUTOMOBILE DISMANTLING-INCLUDING SALVAGE OR JUNKING OF PARTS AND STORE OPERATIONS		(1) 500,000	32.50/\$ 1,000 GR		16,250.00	INCLUDED
		(a) Area (Sq. Ft.) (b) Trackage (c) Remuneration (d) Receipts (e) Units (f) Admissions		(a) Per 100 Sq. Ft. of Area (b) Per Linear Foot (c) Per \$100 of Remuneration (d) Per \$100 of Receipts (e) Per Unit (f) Per 100 Admissions		
Escalators (Number at Premises) NONE AT INCEPTION		Number Insured		Per Landing		
Independent Contractors NOT COVERED		Cost		Per \$100 of Cost		
Completed Operations INCLUDED		(a) Receipts		(a) Per \$1,000 of Receipts		
Products NOT COVERED		(b) Sales		(b) Per \$1,000 of Sales		

Total Advance B.I. and P.D. Premiums \$ 16,250.00 INCLUDED

When used as a premium basis:

- "admissions" means the total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes.
- "cost" means the total cost to the named insured with respect to operations performed for the named insured by independent contractors of all work let or sub-let in connection with each specific project including the cost of labor, materials and equipment furnished, use of contractor, including all fees, allowances, bonuses or commissions made, paid or due.
- "receipts" means the gross amount of money charged by the named insured for such operations by the named insured or by others during the policy period as are rated on a receipts basis other than telecasting, broadcasting or motion picture and includes taxes, other than taxes which the named insured collects as a separate item and remits directly to a governmental division.
- "remuneration" means the entire remuneration earned during the policy period by proprietors and by all employees of the named insured, other than chauffeurs (except operators of mobile equipment) and aircraft pilots and co-pilots, subject to any overtime earnings or limitation of remuneration applicable in accordance with the manuals in use by the company.
- "sales" means the gross amount of money charged by the named insured or by others trading under his name for all goods and products sold during the policy period and charged during the policy period for installation, servicing or repair, and includes taxes, other than taxes which the named insured and such others collect as a separate item and remit directly to a governmental division.

I. COVERAGE A—BODILY INJURY LIABILITY
COVERAGE B—PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

A. bodily injury or
B. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the named insured's products or a warranty that work performed by or on behalf of the named insured will be done in a workmanlike manner;
- (b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (1) any automobile or aircraft owned or operated by or rented or loaned to any insured; or
 - (2) any other automobile or aircraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the named insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured;
- (c) to bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or (2) the operation or use of any snowmobile or trailer designed for use therewith;
- (d) to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any insured;
- (e) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:
 - (1) any watercraft owned or operated by or rented or loaned to any insured; or
 - (2) any other watercraft operated by any person in the course of his employment by any insured;but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the named insured;
- (f) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- (g) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to:
 - (1) liability assumed by the insured under an incidental contract; or
 - (2) expenses for first aid under the Supplementary Payments provision;
- (h) to bodily injury or property damage for which the insured or his indemnitee may be held liable:
 - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or
 - (2) if not so engaged, as an owner or lessor of premises used for such purposes;if such liability is imposed:
 - (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
 - (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;but part (ii) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;
- (i) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (j) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;
- (k) to property damage to:
 - (1) property owned or occupied by or rented to the insured;
 - (2) property used by the insured; or
 - (3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured;
- (l) to property damage to premises alienated by the named insured arising out of such premises or any part thereof;
- (m) to loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement; or
 - (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the

named insured after such products or work have been put to use by a person or organization other than an insured;

- (n) to property damage to the named insured's products arising out of such products or any part of such products;
- (o) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof; or out of the named insured equipment furnished in connection therewith;
- (p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work complete or in part, if such products, work or property is withdrawn from the market from use because of any known or suspected defect or deficiency therein;
- (q) to property damage included within:
 - (1) the explosion hazard in connection with operations identified in this policy by a classification code number which includes the symbol "X";
 - (2) the collapse hazard in connection with operations identified in this policy by a classification code number which includes the symbol "C";
 - (3) the underground property damage hazard in connection with operations identified in this policy by a classification code number which includes the symbol "U";

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent below:

- (a) if the named insured is designated in the declaration as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
 - (b) if the named insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
 - (c) if the named insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
 - (d) any person (other than an employee of the named insured) or organization while acting as real estate manager for the named insured; and
 - (e) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law:
 - (1) an employee of the named insured while operating any such equipment in the course of his employment; and
 - (2) any other person while operating with the permission of the named insured any such equipment registered in the name of the named insured and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization; provided that no person or organization shall be an insured under this paragraph (e) with respect to:
 - (1) bodily injury to any fellow employee of such person injured in the course of his employment; or
 - (2) property damage to property owned by, rented to, in charge of or occupied by the named insured or the employer of any person described in subparagraph (ii).
- This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the insured is a partner or member and which is not designated in this policy as a named insured.

III. LIMITS OF LIABILITY

Regardless of the manner of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, or (3) claims made or suits brought on account of bodily injury or property damage, the company's liability is limited as follows:

Coverage A—The total liability of the company for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one occurrence shall not exceed the limit of bodily injury liability stated in the schedule as applicable to "each occurrence". Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of (1) all bodily injury included within the completed operations hazard and (2) all bodily injury included within the products hazard shall not exceed the limit of bodily injury liability stated in the schedule as "aggregate".

Coverage B—The total liability of the company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the schedule as applicable to "each occurrence".

Subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all property damage to which this coverage applies and described in any of the numbered subparagraphs below shall not exceed the limit of property damage liability stated in the schedule as "aggregate".

- (1) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;
 - (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
 - (3) all property damage included within the products hazard and all property damage included within the completed operations hazard.
- Such aggregate limit shall apply separately to the property damage described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the named insured.

Coverages A and B—For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

IV. POLICY TERRITORY

This insurance applies only to bodily injury or property damage which occurs within the policy territory.



DECLARATIONS

Scottsdale Insurance Company
6991 East Camelback Road, Scottsdale, Arizona 85251

6991 East Camelback Road, Scottsdale, Arizona 85251

A STOCK COMPANY

GLS 062014

Item 1. **Named Insured and Mailing Address:**

AADLEN BROTHERS AUTO WRECKING
11590 TUXFORD STREET
SUN VALLEY, CALIFORNIA 91352

Agent Name and Address:

LOU KRAUSHAR INSURANCE AGENCY

NO FLAT CANCELLATION

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

Agent No. 040006

Item 2. Policy Period **ONE YEAR**

From: 1-24-86

To: 1-24-87

12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

The named insured is:

☒ Individual ☐ Partnership

☐ Corporation

☐ Joint Venture☐ Other:

\$487.50 ST

48.75 FF

Business of the named insured is: (ENTER BELOW)

Audit Period: Annual, unless otherwise stated. (ENTER BELOW)

50.00 PF

SELF-SERVE AUTO DISMANTLER

25.00 IF

Item 3. The insurance afforded is only with respect to the following Coverage Part(s) indicated by specific premium charge(s).

[illegible]

Form numbers of endorsements, other than those entered on Coverage Part(s), attached at issue

L6178(4-84), GLS3(6-82) UTS4(6-82), GU271(6-85), UTS9(8-82),
L6157B(6-75), GU245(10-84), L203(10-77) \$

Total Advance Premium for this policy. \$ 16,861.25

* If the Policy Period is more than one year and the premium is to be paid in installments, premium is payable on:
Effective Date 1st Anniversary Subsequent

Paid 4,362.00

Effective Date	1st Anniversary	2nd Anniversary
\$	\$	\$

Balance Due	\$12,499.25
-------------	-------------

By May 1, 1986

By May 1, 1986

Item 4. During the past three years no insurer has cancelled insurance, issued to the named insured, similar to that afforded hereunder, unless otherwise stated herein:

Countersignature Date: APRIL 1, 1986/mfb

COMPASS SURPLUS LINES
GLENDALE, CALIFORNIA

*Not applicable in Texas

at 100

Countersignature

THIS PART B, WITH "POLICY PROVISIONS—PART A", AND COVERAGE PART(S) AND ENDORSEMENT(S), (IF ANY), ISSUED TO FORM A PART THEREOF, COMPLETE(S)
THE ABOVE NUMBERED POLICY

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 245
(Ed. 10-84)

IL 00 18 (Ed. 10 84)
**AMENDATORY ENDORSEMENT
PREJUDGMENT INTEREST**

This endorsement, effective JANUARY 24, 1986, forms a part of policy No. GLS 062014
(12:01 A.M., standard time)

issued to AADLEN BROTHERS AUTO WRECKING

by SCOTTSDALE INSURANCE COMPANY

COMPASS SURPLUS LINES

.....
Authorized Representative

The following is added to the Supplementary Payments provision in this policy:

The Company will pay, in addition to the applicable limit of liability, prejudgment interest awarded against the **insured** on that part of the judgment the Company pays. If the Company makes an offer to pay the applicable limit of its liability, the Company will not pay any prejudgment interest based on that period of time after the offer.

Copyright, Insurance Services Office, Inc., 1984
Copyright, ISO Commercial Risk Services, Inc., 1984



(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 00 32 (Ed. 04 84)

L 6178
(Ed. 4-84)

AMENDATORY ENDORSEMENT

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

**COMPREHENSIVE GENERAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
STOREKEEPER'S INSURANCE
SMP LIABILITY INSURANCE**

This endorsement, effective JANUARY 24, 1986, forms a part of policy No. GLS 062014
(12:01 A.M., standard time)

issued to AADLEN BROTHERS AUTO WRECKING

by SCOTTSDALE INSURANCE COMPANY

COMPASS SURPLUS LINES

.....
Authorized Representative

It is agreed that the exclusion relating to bodily injury to any employee of the insured is deleted and replaced by the following:

This insurance does not apply:

- (i) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured for which the insured may be held liable as an employer or in any other capacity;
- (ii) to any obligation of the insured to indemnify or contribute with another because of damages arising out of the bodily injury; or
- (iii) to bodily injury sustained by the spouse, child, parent, brother, or sister of an employee of the insured as a consequence of bodily injury to such employee arising out of and in the course of his employment by the insured;

This exclusion applies to all claims and suits by any person or organization for damages because of such bodily injury including damages for care and loss of services.

This exclusion does not apply to liability assumed by the insured under an incidental contract.

(ISO-Adv. 3003)

AMENDMENT—LIMITS OF LIABILITY

(Single Limit)

(Individual Coverage Aggregate Limit)

SCHEDULE

Coverages	Limits of Liability
Bodily Injury Liability and Property Damage Liability	\$ 500 ,000 each occurrence \$ 500 ,000 aggregate

It is agreed that the provisions of the policy captioned "LIMITS OF LIABILITY" relating to Bodily Injury Liability and Property Damage Liability are amended to read as follows:

LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury or property damage, (3) claims made or suits brought on account of bodily injury or property damage or (4) automobiles or units of mobile equipment to which this policy applies, the company's liability is limited as follows:

Bodily Injury Liability and Property Damage Liability:

- (a) The limit of liability stated in the Schedule of this endorsement as applicable to "each occurrence" is the total limit of the company's liability for all damages because of bodily injury or property damage as a result of any one occurrence, provided that with respect to any occurrence for which notice of this policy is given in lieu of security or when this policy is certified as proof of financial responsibility under the provisions of the Motor Vehicle Financial Responsibility Law of any state or province such limit of liability shall be applied to provide the separate limits required by such law for Bodily Injury Liability and Property Damage Liability to the extent of the coverage required by such law, but the separate application of such limit shall not increase the total limit of the company's liability.
- (b) If an aggregate amount is stated in the Schedule then subject to the above provision respecting "each occurrence", the total liability of the company for all damages because of all bodily injury and property damage which occurs during each annual period while this policy is in force commencing from its effective date and which is described in any of the numbered subparagraphs below shall not exceed the limit of liability stated in the Schedule of this endorsement as "aggregate":
 - (i) all property damage arising out of premises or operations rated on a remuneration basis or contractor's equipment rated on a receipts basis, including property damage for which liability is assumed under any incidental contract relating to such premises or operations, but excluding property damage included in subparagraph (2) below;

- (2) all property damage arising out of and occurring in the course of operations performed for the named insured by independent contractors and general supervision thereof by the named insured, including any such property damage for which liability is assumed under any incidental contract relating to such operations, but this subparagraph (2) does not include property damage arising out of maintenance or repairs at premises owned by or rented to the named insured or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) if Products-Completed Operations Insurance is afforded, all bodily injury and property damage included within the completed operations hazard and all bodily injury and property damage included within the products hazard; and
- (4) if Contractual Liability Insurance is afforded, all property damage for which liability is assumed under any contract to which the Contractual Liability Insurance applies.

Such aggregate limit shall apply separately:

- (i) to the property damage described in subparagraphs (1) and (2) and separately with respect to each project away from premises owned by or rented to the named insured;
 - (ii) to the sum of the damages for all bodily injury and property damage described in subparagraph (3); and
 - (iii) to the property damage described in subparagraph (4) and separately with respect to each project away from premises owned by or rented to the named insured.
- (c) For the purpose of determining the limit of the company's liability, all bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

L 6157b
(Ed. 6-75)

GL 01 08 (Ed. 06 75)
G 530

**AMENDMENT OF PERSONS INSURED PROVISION
DEFINITION OF EXECUTIVE OFFICER**

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

- COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE
- COMPREHENSIVE GENERAL LIABILITY INSURANCE
- CONTRACTUAL LIABILITY INSURANCE
- DRUGGISTS LIABILITY INSURANCE
- FARM EMPLOYERS LIABILITY AND FARM EMPLOYEES MEDICAL PAYMENTS INSURANCE
- HOSPITAL PROFESSIONAL LIABILITY INSURANCE
- MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE
- OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE
- STOREKEEPERS INSURANCE

This endorsement, effective JANUARY 24, 1986, forms a part of policy No. GLS 062014
(12:01 A. M., standard time)

issued to AADLEN BROTHERS AUTO WRECKING

by SCOTTSDALE INSURANCE COMPANY

COMPASS SURPLUS LINES

Authorized Representative

It is agreed that the Persons Insured Provision is amended to include the following definition of executive officer under subdivision (c):
"Executive officer" means only a person holding any of the officer positions created by the charter, constitution or bylaws of the named insured.



IL 09 28 (Ed. 06 85)
POLLUTION EXCLUSION

6U 271
(Ed. 6 85)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

**BUSINESSOWNERS POLICY
COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE**

This endorsement, effective **JANUARY 24, 1986**, forms a part of Policy No. **GLS 062014**
(12-01 A. M., standard form)

issued to **AADLEN BROTHERS AUTO WRECKING**

by **SCOTTSDALE INSURANCE COMPANY**

COMPASS SURPLUS LINES

Authorized Representative

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

- (1) to **bodily injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - (a) at or from premises owned, rented or occupied by the **named insured**;
 - (b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
 - (d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
 - (i) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- (2) to any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.





Scottsdale Insurance Company

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO	DAY	YR.	12:01 A.M.	NOON		
GLS 062014	1	24	86	X		AADLEN BROTHERS AUTO WRECKING	040006

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Insurer hereon to pay any amount claimed to be due hereunder, the Insurer hereon, at the request of the INSURED, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon _____

_____ COMPASS SURPLUS LINES _____ and that in any suit instituted against any one of them upon this contract, the Insurer will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of the Insurer in any such suit and/or upon the request of the INSURED to give a written undertaking to the INSURED that it or they will enter a general appearance upon the Insurer's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefor, the Insurer hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the INSURED or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

COMPASS SURPLUS LINES

DATE APRIL 1, 1986

AUTHORIZED REPRESENTATIVE



Scottsdale Insurance Company

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO	DAY	YR	(20)	A M		
GLS 062014	1	24	86		X	AADLEN BROTHERS AUTO WRECKING	040006

GENERAL LIABILITY EXCLUSION ENDORSEMENT

It is agreed that the following exclusion(s) apply to the above policy: (Only those exclusions indicated by an "X" in the appropriate box apply.)

A. ☒ CLASSIFICATION LIMITATION

It is hereby understood and agreed that coverage as provided by this policy applies only to those operations as described under the "Description of Hazards" section of the coverage parts attached to this policy.

B. ☐ MINIMUM EARNED PREMIUM

If this policy is cancelled at the request of the INSURED, the total retained by the Company shall not be less than _____ % of the original premium or \$ _____, whichever is greater.

C. ☒ PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

It is understood and agreed that this policy does not apply to a claim of or indemnification for punitive or exemplary damages.

If a suit shall have been brought against the INSURED for claim falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, then the Company will afford a defense to such action; however, the Company shall not have an obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

COMPASS SURPLUS LINES

DATE APRIL 1, 1986

AUTHORIZED REPRESENTATIVE



Scottsdale Insurance Company

ENDORSEMENT
NO. _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (STANDARD TIME)					INSURED	AGENCY AND CODE
	MO	DAY	YR	12 01	A M		
GLS 062014	1	24	86		X	AADLEN BROTHERS AUTO WRECKING	040006

DEDUCTIBLE ENDORSEMENT

SCHEDULE

Amount of Deductible		Coverage
\$ 5,000.00	per claim	BODILY INJURY Liability
\$ 5,000.00	per claim	PROPERTY DAMAGE Liability

It is hereby understood and agreed that:

1. The Company's obligation under the BODILY INJURY Liability and PROPERTY DAMAGE Liability Coverages to pay damages on behalf of the INSURED, shall be in the amount of damages in excess of any deductible amounts stated in the schedule above as applicable to each coverage.
2. The deductible amounts include all legal and fees and court expenses.
3. The deductible amounts stated in the schedule apply under the BODILY INJURY Liability or PROPERTY DAMAGE Liability Coverage, respectively, to all damages with respect to BODILY INJURY sustained by one person, or to all PROPERTY DAMAGE sustained by one person or organization, as the result of any one OCCURRENCE.
4. The terms of the policy, including those with respect to (a) the Company's rights and duties with respect to the defense of suits and (b) the INSURED'S duties in the event of an OCCURRENCE apply irrespective of the application of the deductible amount.
5. The Company may pay part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the NAMED INSURED shall promptly reimburse the Company for such part of the deductible amount as has been paid by the Company.

APPLICATION OF ENDORSEMENT: (Enter here any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to all loss however caused.)

COMPASS SURPLUS LINES

DATE APRIL 1, 1986

AUTHORIZED REPRESENTATIVE

SCHEDULE OF LIABILITY PREMIUM ENDORSEMENT

ET-499
1ST EDITION

EFFECTIVE DATE
7-1-84

AADLEN BROS AUTO WRECKING ET AL

POLICY NUMBER
N1823 00 10

This policy premium is subject to audit and may be revised at the end of each policy term using the rate indicated, based on the changes in the following estimated business exposures.

PREMISES AND OPERATIONS <u>72</u> Rating Territory		CODE	BASIS OF PREMIUM <input type="checkbox"/> PAYROLL <input type="checkbox"/> AREA <input type="checkbox"/>	PREMIUM BASED ON CURRENT ESTIMATES BODILY INJURY RATE PREMIUM				PROPERTY DAMAGE RATE PREMIUM	
LAND		65180	Estimated 500 FRT FT.	.474	237.00	.015	40.00 MIN		
GARAGE LIABILITY PLAN 1		7821	<input type="checkbox"/> RATING UNITS <input checked="" type="checkbox"/> PAYROLL	BI-PD RATE		BI-PD PREMIUM			
PAYROLL DISCOUNT			A 15,300 B 18,300 C 74,600	4.136 50.548 16.131	633.00 9,250.00 12,031.00 -4,295.00				
PRODUCT LIABILITY OR COMPLETED OPERATION			<input checked="" type="checkbox"/> COVERED <input type="checkbox"/> NOT COVERED	BODILY INJURY RATE PREMIUM		PROPERTY DAMAGE RATE PREMIUM			
Classification		CODE	Est. Sales or Receipts						
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERED If you subcontract any work to independent contractor or subcontractor, premium is based on cost of such work.									
OWNED AUTOMOBILES <input checked="" type="checkbox"/> COVERED - SEE SCHEDULE <input type="checkbox"/> NOT COVERED THE FOLLOWING PREMIUM IS NOT SUBJECT TO RETROACTIVE AUDIT ADJUSTMENT 6 UM CHARGES @ 50.00									
CONTRACTUAL LIABILITY Your policy automatically covers contractual liability under the following types of written agreements: lease of premises, easement agreement, agreement required by Municipal Ordinance, railroad side track agreement, and elevator or escalator maintenance agreement. Your policy does not apply to any other type of contractual liability unless a specific endorsement has been issued.				Bodily Injury Premium			Property Damage Premium		
<input checked="" type="checkbox"/> Garagekeeper's Coverage <input type="checkbox"/> Fire Legal <input type="checkbox"/> Personal Injury <input checked="" type="checkbox"/> Broad Form Liability <input checked="" type="checkbox"/> Premises Medical & AUTO 25,000		See Endorsement: RT-157 ET-137 ET-180 - ET-218		Premium INCL INCL INCL					
PERSONAL LIABILITY <input checked="" type="checkbox"/> COVERED <input type="checkbox"/> NOT COVERED Personal liability coverage for individual or partners <u>2 PARTNERS @</u> XXXXXXXXXXXXXXXXXXXXXXXXXXXX <u>1 RES</u> XXXXXXXXXXXXXXXXXXXXXXXXXXXX <u>1 ADD'L</u> Total number of acres of all premises owned, rented, or leased _____ XXXXXXXXXXXXXXXXXXXXXXXXXXXX <u>WORK COMP</u> Guest Residence Medical Payments: <input type="checkbox"/> \$500 <input type="checkbox"/> \$1000 } Limits No. of family members insured for medicals <input type="checkbox"/> \$500 <input type="checkbox"/> \$1000 } No. of outboard motors over 25 horsepower <u>1 BOAT (INBOARD 16-30 MPH)</u>				88.00 22.00 5.00 5.00 47.00					
EMPLOYERS' NON-OWNERSHIP (AUTO LIABILITY) Total number of employees _____ <input checked="" type="checkbox"/> Covered <input type="checkbox"/> Not Covered Total number of partners _____									
Hired Automobiles (AUTO LIABILITY) <input checked="" type="checkbox"/> Covered <input type="checkbox"/> Not Covered Estimated cost of hire for next policy period: Passenger Cars _____ Trucks _____									

ABOVE FIGURES WILL BE SUBJECT TO EXPERIENCE MODIFICATION OF _____% AND/OR PACKAGE CREDIT (EXCLUDING NON-OWNERSHIP) OF _____%.
 If coverage is wanted for any hazard omitted or marked with an "X" preceding "not covered" please call or write your agent for information.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements, or limitations of this policy, other than as above stated. This endorsement, when countersigned, becomes part of the above numbered policy.

Countersigned _____



INSURANCE COMPANY
 P.O. BOX 9253, VA. NUYS, CALIF. 91409
 RENEWAL STATEMENT - The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.
 INSURED: MADLEN BKCS AUTO WRECKING
 AGENT JAMES D DALEY
 RENEWAL DATE: JULY 01, 1984
 PHONE 881-3490
 POLICY NUMBER: N1823 LC 10
 AGENT'S NUMBER: 30 44 803

SCHEDULE OF COVERAGE AND PREMIUM (Refer to your policy for terms, conditions and limitations of coverage)

LIABILITY NON AUTO				LIMITS	PREMIUM			
GENERAL LIABILITY				500,000				
PERSONAL COMPREHENSIVE LIABILITY				500,000				
COMPREHENSIVE LIABILITY				COVERED				
UNINSURED MOTORIST				COVERED				
GARAGE LIABILITY				500,000				
EQUIPMENT / VEHICLE					TOTAL	18,348.60		
35 CHEVROLET	NAII	BI/PD	UM	MEDS	F&T	COLL	TOW	CGO
72 CHEVROLET STN WAG	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
64 WHITE TRACT	7	NIL	COV	NIL	CCD	2000	NIL	NIL
24 VOLKSWGN	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
67 CHEVROLET 1 T	7	NIL	COV	NIL	CCD	NIL	NIL	NIL
57 INT SEMI	C3079	NIL	COV	NIL	COV	NIL	NIL	NIL
61 INT SEMI	C3819	NIL	NIL	NIL	COV	NIL	NIL	NIL
61 CHEVROLET	C3719	NIL	NIL	NIL	COV	NIL	NIL	NIL
61 INT SEMI	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
55 AL CHALM	C3719	NIL	NIL	NIL	COV	NIL	NIL	NIL
30 P/H CRAIN	C3079	NIL	NIL	NIL	COV	NIL	NIL	NIL
62 WHITE TRACT	C2888	INC.	COV	NIL	COV	NIL	NIL	NIL
77 CADILLAC	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
69 CHEVROLET 1 T TRUCK	7	NIL	COV	NIL	CCD	2000	NIL	NIL
65 KENWORTH TRACT	C3079	NIL	COV	NIL	CCD	NIL	NIL	NIL
68 BUICK	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
55 GMC TRACT	7	NIL	COV	NIL	CCD	NIL	NIL	NIL
72 CHEVROLET	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
72 FORD TRACT	7	NIL	COV	NIL	CCD	NIL	NIL	NIL
72 FORD TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
66 WHITE TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
67 CHEVROLET VAN	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
57 FORD	C3079	NIL	COV	NIL	COV	NIL	NIL	NIL

C-O-N-T-I-N-U-E-D O-N N-E-X-T P-A-G-E

KEEP THIS PORTION - SEE REVERSE SIDE

POLICY NUMBER

TOTAL DUE

RENEWAL DATE

PAYMENT DUE ON
 RENEWAL DATE
 UNLESS LATER DATE
 SHOWN HERE

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT - Please write policy number on check - Thank you.
 If the mortgagee is responsible for payment of the premium, please forward this notice to the mortgagee.



TRUCK INSURANCE CHANGE
P.O. BOX 9253, VAN NUYS, CALIF. 91409

9C 7
POLICY NUMBER

RENEWAL STATEMENT - The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.

N1823 CC 10

INSURED: AADLEN BRCS AUTO WRECKING

RENEWAL DATE

JULY 01, 1984

C-C-N-T-I-N-U-E-D F-R-O-M P-R-E-V-I-O-U-S P-A-G-E AGENT'S NUMBER 20 44 803

SCHEDULE OF COVERAGE AND PREMIUM (Refer to your policy for terms, conditions and limitations of coverage)

14	LCRRAIN CRANE	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
15	71 OLDS	7	NIL	COV	NIL	CCD	1000	NIL	NIL
16	60 CHEVROLET TCW TR	C3079	NIL	COV	NIL	COV	NIL	NIL	NIL
17	66 MUSTANG	7	NIL	COV	NIL	CCD	NIL	NIL	NIL
18	67 CHEVROLET 1 T	C3079	NIL	COV	NIL	COV	NIL	NIL	NIL
19	66 CHEVROLET 1 T	C3079	NIL	COV	NIL	COV	NIL	NIL	NIL
20	61 CHEVROLET 2 T	C3279	NIL	COV	NIL	COV	NIL	NIL	NIL
21	65 INT TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
22	67 CHEVROLET TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
23	61 FORD 2 T	C3279	NIL	COV	NIL	COV	NIL	NIL	NIL
24	67 CHEVROLET 1/2 T VAN	C3079	NIL	COV	NIL	CCD	NIL	NIL	NIL
25	56 VOLKSWGN	7	NIL	COV	NIL	CCD	NIL	NIL	NIL
26	52 FORD PU	C3079	NIL	COV	NIL	COV	NIL	NIL	NIL
27	63 FORD	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
28	63 MICHIGAN	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
29	37 UNIVERSAL	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
30	60 HYSTER	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
31	60 HYSTER	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
32	64 INT TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
33	62 GMC TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
34	70 FORD TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
35	75 FORD	7	NIL	COV	NIL	CCD	2000	NIL	NIL
36	55 CHEVROLET 1 T	C3079	NIL	COV	NIL	CCD	NIL	NIL	NIL
37	66 GMC TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
38	65 INT 1 1/2 T TRUCK	C3079	NIL	COV	NIL	CCD	NIL	NIL	NIL
39	62 GMC TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
40	70 FORD 3/4 T PU	C3079	NIL	COV	NIL	CAC	2500	NIL	NIL
41	71 CADILLAC	7	NIL	COV	NIL	CCD	2000	NIL	NIL
42	70 CADILLAC	7	NIL	COV	NIL	CCD	2000	NIL	NIL
43	71 CHEVROLET 3/4 T	C3079	NIL	COV	NIL	CAC	2500	NIL	NIL
44	73 FORD STN WAG	7	NIL	COV	NIL	CCD	2000	NIL	NIL

C-C-N-T-I-N-U-E-D O-N N-E-X-T P-A-G-E

KEEP THIS PORTION - SEE REVERSE SIDE

POLICY NUMBER

TOTAL DUE

RENEWAL DATE

PAYMENT DUE ON
RENEWAL DATE
UNLESS LATER DATE
SHOWN HERE

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT - Please write policy number on check - Thank you.

INSURANCE (CHANGE)

P.O. BOX 9253, VAN NUYS, CALIF. 91411

90 1

POLICY NUMBER

MENT-The Company will renew your policy for an annual 12 months term only if

N1823 00 20

the premium indicated is made on or before the renewal of this notice.

RENEWAL DATE

INSURED: AADLEN BRCS AUTO WRECKING

JULY 01, 1984

C-U-N-T-I-N-U-E-D F-R-O-M P-R-E-V-I-O-U-S P-A-G-E AGENT'S NUMBER 30 44 803

SCHEDULE OF COVERAGE AND PREMIUM (Refer to your policy for terms, conditions and limitations of coverage)

5	72 CHEVROLET 1 T PU	C3579	NIL	COV	NIL	CAC	2500	NIL	NIL
6	ALJON	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
7	62 WHITE TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
8	62 GMC TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
9	77 PONTIAC	?	NIL	COV	NIL	CCD	2000	NIL	NIL
10	72 CADILLAC	?	NIL	COV	NIL	CCD	2000	NIL	NIL
11	67 PETERBILT TRACT	C3619	NIL	COV	NIL	COV	NIL	NIL	NIL
12	72 CONSEQ	C2888	INC.	NIL	NIL	COV	NIL	NIL	NIL
13	72 CHEVROLET	?	NIL	COV	NIL	CCD	1000	NIL	NIL
14	72 CHEVROLET	3	500,000	COV		NIL	NIL	NIL	NIL
15	72 BUICK	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
16	FURNISHED VEHICLE	3	500,000	COV		NIL	NIL	NIL	NIL
17	FURNISHED VEHICLE	3	500,000	COV		NIL	NIL	NIL	NIL
18	72 MUSTANGII	?	NIL	COV	NIL	CCD	1000	NIL	NIL
19	62 CADILLAC	?	NIL	COV	NIL	CCD	1000	NIL	NIL
20	72 TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
21	72 WHITE TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
22	72 INT TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
23	75 CADILLAC	?	NIL	COV	NIL	CCD	5000	NIL	NIL
24	72 CHEVROLET	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
25	75 TOYOTA	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
26	75 CUTLASS	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
27	75 FORD	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
28	75 TRIUMPH	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
29	62 HONDA	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
30	78 CHEVROLET VAN	3	500,000	COV		NIL	NIL	NIL	NIL
31	62 HONDA	?	NIL	COV	NIL	CCD	NIL	NIL	NIL
32	75 WHITE TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
33	75 TRACT	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
34	55 AL CHALM	C3579	NIL	COV	NIL	COV	NIL	NIL	NIL
35	62 INT SEMI	C3719	NIL	COV	NIL	COV	NIL	NIL	NIL

C-U-N-T-I-N-U-E-D O-N N-E-X-T P-A-G-E

KEEP THIS PORTION - SEE REVERSE SIDE

POLICY NUMBER

TOTAL DUE

RENEWAL DATE

PAYMENT DUE ON
RENEWAL DATE
UNLESS LATER DATE
SHOWN HERE

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT - Please write policy number on check - Thank you.

MAKE CHECK OR MONEY ORDER PAY TO:



TRUCK INSURANCE EXCHANGE

P. O. BOX 5253 VAN NUYS, CALIF 91409

9C 1
POLICY NUMBER

RENEWAL STATEMENT: The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.

N1823 00 10

RENEWAL DATE

INSURED: AADLEN BROS AUTO WRECKING

JULY 01, 1984

C-O-N-T-I-N-U-E-D F-R-O-M P-R-E-V-I-O-U-S P-A-G-E

AGENT'S
NUMBER 30 44 803

SCHEDULE OF COVERAGE AND PREMIUM (Refer to your policy for terms, conditions and limitations of coverage)

TOTAL 15,647.50

TOTAL PREMIUM 33,996.10

KEEP THIS PORTION - SEE REVERSE SIDE

IF YOU DO NOT WISH TO PAY THE TOTAL NOW DUE, PAY THE OPTIONAL AMOUNT OF \$,988.05 WHICH INCLUDES A \$5.00 SERVICE CHARGE. THE BALANCE DUE IN 60 DAYS OF \$,983.05 DOES NOT INCLUDE A SERVICE CHARGE.

TRUCK INSURANCE EXCHANGE

POLICY NUMBER

30 . N1823 00 10

TOTAL DUE

33,996.10

AADLEN BROS AUTO WRECKING
11590 TUXFORD ST.
SUN VALLEY, CA. 91352

JULY 01, 1984

RENEWAL DATE

7-12-84
PAYMENT DUE ON
RENEWAL DATE
UNLESS LATER DATE
SHOWN HERE

EVANSTON INSURANCE COMPANY

COMBINATION GENERAL ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY

1. Employment-Related Practices Exclusion is added to Coverage B, Section I, Commercial General Liability Coverage Form and to any other coverage under this policy as follows:
Employment-Related Practices, regardless of allegations, are not covered under this policy nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same, including but not limited to:
 - (A) Refusal to employ to Termination of Employment; or
 - (B) Discrimination, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment in any form, humiliation or other employment-related practices, policies, acts or omissions; or
 - (C) Consequential "Bodily Injury" or Personal Injury" as a result of (B).
2. Under 2. Exclusions, f. Pollution, Commercial General Liability Coverage Form, Section I – Coverages, Pollution/environmental impairment/contamination is not covered under this policy, nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same in conjunction with occurrences arising or alleged to have arisen out of same. All liability and expense arising out of or related to any form of pollution, whether intentional or otherwise and whether or not any resulting injury, damage, devaluation cost or expense is expected by any Insured or any other person or entity is excluded throughout this policy. All wording is replaced by the following:
 - (A) "Bodily Injury," "personal Injury," "Property Damage," or Damages for the devaluation of property, or for taking, use or acquisition or interference with the rights of others in or on property or air space, or any other type injury or expense; or
 - (B) Any loss, cost, expense, fines and/or penalties arising out of any (1) request, demand, order, governmental authority or directive or that of any private party or citizen action that any Insured, or others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess same the effects of pollutants, environmental impairments, contaminants or (2) any litigation or administrative procedure in which any Insured or others may be involved as a party as a result of actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or placement of pollutants, environmental impairments, contaminants into or upon land, premises, buildings, the atmosphere, any water course, body of water, aquifer or ground water, whether sudden, accidental or gradual in nature or not, and regardless of when:

Pollutants mean any solid, liquid, gaseous, fuel, lubricant, thermal, acoustic, electrical, or magnetic irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, fibers, radiation, acid, alkalis, petroleum, chemicals or waste. Waste includes medical waste and all other materials to be disposed of, recycled, stored, reconditioned or reclaimed.

3. Punitive or Exemplary Damages is not covered under this policy nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same. (Exception: This does not apply to Punitive Damages from Wrongful Death brought under Alabama's Wrongful Death Statute.)
4. Duty to Defend: Where there is no coverage under this policy, there is no duty to defend.
5. Asbestos, Lead or Silica Dust is not covered under this policy, nor are any expenses nor any obligation to share damages with or repay anyone else who must pay damages from same in conjunction with occurrences arising or alleged to have arisen out of:
 - (A) "Bodily Injury," "Personal Injury," "Property Damage," or Damages of any type, arising out of the inhalation, ingestion, physical exposure to, absorption of, or toxic substances from asbestos, lead or silica dust in any form, or from any goods, products or structures containing same, or "Property Damage" or devaluation of property arising from any form of same; or
 - (B) Existence of asbestos, silica dust or lead, in any form, in occupancy or construction or the manufacture, sale, transportation, handling, storage, disposal, or removal of same, or goods or products containing same; or
 - (C) Any supervision, instructions, recommendations, requests, warnings or advice given or which should have been given, as well as any costs, including but not limited to abatement, mitigation, removal, contain, treat, detoxify, neutralize, or disposal of same or in any way respond to or assess the effects of same.
6. Discrimination charges, of any kind, actual and alleged, are not covered under this policy, nor any expenses or obligation to share damages with or repay another whom must pay from same.

EVANSTON INSURANCE COMPANY

DELETION OF BODILY INJURY, PROPERTY DAMAGE, MEDICAL PAYMENTS, PREMISES/OPERATIONS, PRODUCTS/COMPLETED OPERATIONS AND FIRE DAMAGE COVERAGES

Warning – This endorsement substantially modifies and reduces the coverage afforded by this policy.

**READ THIS ENDORSEMENT CAREFULLY AND DO NOT SIGN UNLESS YOU FULLY
UNDERSTAND THE LANGUAGE OF THIS ENDORSEMENT.**

It is the intention of the company and the Insured to delete Coverage a Bodily Injury and Property Damage Liability and Coverage C Medical Payments in their entirety from the coverages afforded by Section 1 of this policy. This endorsement shall modify the policy and the coverage afforded by this policy and limit the coverage to Personal Injury and Advertising Injury coverage for Bodily Injury, Property Damage, Premises/Operations, Products/Completed Operations, Medical Payments or Fire Damage and such limitation is expressly acknowledged by the Insured by signing this endorsement.

Any endorsement attached to this policy either at inception or as may later be added shall expressly apply to **Personal Injury and Advertising Injury only**. All endorsements made part of this policy shall not be interpreted or construed as providing or reinstating Coverage a Bodily Injury or Property Damage, Coverage C Medical Payments or Premises/Operations, Products/Completed Operations, Medical Payments or Fire Damage coverage. This policy and all applicable endorsements are intended to apply to Personal Injury and Advertising Injury Coverage B only, and any reference to Bodily Injury, Property Damage, Medical Payments, Premises/Operations, Products/Completed Operations, and Fire Damage are irrelevant to the coverage afforded by this policy.

**I HAVE READ AND UNDERSTAND THAT THIS ENDORSEMENT DELETES ALL
COVERAGE EXCEPT PERSONAL INJURY AND ADVERTISING INJURY COVERAGE.**

Named Insured

EVANSTON INSURANCE COMPANY

BREACH OF CONTRACT EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY.

This insurance does not apply to claims for breach of contract, whether express or oral, nor claims for breach of an implied in law or implied in fact contract, whether "advertising injury," "personal injury" or an "occurrence" or damages of any type is alleged; this exclusion also applies to any additional insureds under this policy

Furthermore, no obligation to defend will arise or be provided by us for such excluded claims.

EVANSTON INSURANCE COMPANY

DEDUCTIBLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY.

SCHEDULE

Coverage	Amount and Basis of Deductible	
If provided by this policy:	\$ 1,000.00	Per Claim

Exception:

- ☐ If this box is so marked, the basis of deductible is amended to apply "on a per item per claim" property damage deductible basis.
1. Our obligation under Personal and/or Advertising Injury Liability, to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts state in the schedule above. The deductible amount state above shall be applicable to each claim and will include loss payments, adjustment, investigative and legal fees and costs, whether or not loss payment is involved.
 2. The deductible amount stated above applies under the coverages respectively to all damages sustained by one person, or organization, as the result of any one occurrence.
 3. The terms of this insurance, including those with respect to:
 - (a) Our right and duty to defend any "suits" seeking those damages; and
 - (b) Your duties in the event of an "occurrence," claim, or suit apply irrespective of the application of the deductible amount.
 3. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.



EVANSTON INSURANCE COMPANY

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

These Supplemental Declarations form a part of policy number CL 040900023

LIMITS OF INSURANCE

General Aggregate Limit (other than Products/Completed Operations) \$ EXCLUDED

Products/Completed Operations Aggregate Limit \$ EXCLUDED

Personal and Advertising Injury Limit \$ 1,000,000

Each Occurrence Limit \$ 1,000,000

Fire Damage Limit \$ EXCLUDED any one fire

Medical Expense Limit \$ EXCLUDED any one person

BUSINESS DESCRIPTION AND LOCATION OF PREMISES

Form of business:

☐ Individual ☐ Joint Venture ☐ Partnership ☒ Organization (other than Partnership or Joint Venture)

Location of all premises you own, rent or occupy:

SEE FORM 011-DECEXT (11-96), GL EXTENSION OF DECLARATIONS.

PREMIUM

Classification	Code No.	*Premium Basis	Rate		Advance Premium	
			PR/Co	All Other	Pr/Co	All Other
PERSONAL AND ADVERTISING INJURY	99999	FLAT	EXCLUDED	FLAT	\$ EXCLUDED	\$ 13,500.00

*(a) Area, (c) Total Cost, (m) Admission, (p) Payroll, (s) Gross Sales, (u) Units, (o) Other

TOTAL
ADVANCE
PREMIUM \$ 13,500.00

FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy)

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

MSU-100 (05/00), 011-DECEXT(11-96), 011-1009(7-80), CG 00 01 (07-98), CG 21 04 (11-85), CG 21 35 (10-93),
CG 21 45 (07-98), CG 21 47 (07-98)

MANUSCRIPT ENDORSEMENTS: MSU-1, MSU-2, MSU-3, MSU-4

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMERCIAL LIABILITY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

011-1061 (8-94)

INSURED



EVANSTON INSURANCE COMPANY

COMMERCIAL GENERAL LIABILITY EXTENSION OF DECLARATIONS

This Extension Declarations form a part of policy number CL 040900023

Continuation of Location of All Premises you Own, Rent or Occupy:

- 1) 8033, 8103, 8119, 8205, 9123 S. ALAMEDA STREET, LOS ANGELES, CA 90001
- 2) 11590 TUXFORD STREET, SUN VALLEY, CA 91352
- 3) 11409 TUXFORD STREET, SUN VALLEY, CA 91315
- 4) 8520 TELFAIR AVENUE, SUN VALLEY, CA 91352
- 5) 8111-8207 SOUTH CROESUS AVENUE, LOS ANGELES, CA 90001

PREMIUM

Description of Hazards/ Insured Classification(s)	Code No.	*Premium Basis	Rate		Advanced Premium	
			Pr/Co	All Other	Pr/Co	All Other

Total
Advance

*(a) Area, {c} Total Cost, (m) Admission, (p) Payroll, (s) Gross Sales, (u) Units, (o) Other \$

FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy)

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

THIS EXTENSION, SUPPLEMENTAL DECLARATIONS AND THE COMMERCIAL LIABILITY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.



EVANSTON INSURANCE COMPANY

ENDORSEMENT

NO. A

The following spaces preceded by an asterisk () need not be completed if this endorsement and the policy have same inception date.*

ATTACHED TO AND FORMING PART OF POLICY NO.	*EFFECTIVE DATE OF ENDORSEMENT	*ISSUED TO
CL 040900023	02/11/2001	SAMSON AUTO SALVAGE (SEE NAMED INSURED ENDORSEMENT NO. A)

IN CONSIDERATION OF THE PREMIUM CHARGED, IT IS HEREBY AGREED THAT NAMED INSURED ON FORM 011-1056 (9-93), COMMON POLICY DECLARATIONS, AND WHEREVER ELSE IT MAY APPEAR, IS COMPLETED TO READ AS FOLLOWS:

SAMSON AUTO SALVAGE
ADLEN FAMILY PARTNERSHIP
ADLEN BROTHERS AUTO WRECKING
U-PICK PARTS
A FOREIGN U-PICK U-PULL WRECKING
CALIFORNIA CAR HIKERS
BROTHERS AUTO

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

Authorized Representative

•
MONARCH E&S INSURANCE SERVICES
2667 CAMINO DEL RIO SOUTH
SUITE 307
SAN DIEGO, CA 92108
•

In Witness Whereof, the Company has caused this endorsement to be signed by a duly authorized representative of the Company

AUTHORIZED REPRESENTATIVE

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverage A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of rea-

sonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily Injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (ii) "Bodily Injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily Injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used

b) for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily Injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors work-

ing directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a government authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any Insured. Use Includes operation and "loading or unloading".

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the Insured;

(4) Liability assumed under any "Insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising

out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any Insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the Insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

i. Damage To Your Work

"Property damage" to "your work" arising out

of it or any part of it a included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this Insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which

this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. "Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to paragraphs

14.a., b. and c. of "personal and advertising injury" under the Definitions section; or

(10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

b. Any loss, cost or expense arising out of any:

(1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within one year of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. To any insured.

b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. To a person injured on that part of premises you own or rent that the person normally occupies.

d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. To a person injured while taking part in athletics.

f. Included within the "products-completed operations hazard".

g. Excluded under Coverage A.

h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

e. All costs taxed against the insured in the "suit".

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or

agreement that is an "insurance contract";

- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damages" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f.

above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or

control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability com-

pany that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not

payable under terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire Insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and

- b. Separately to each Insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or draw-

ing and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is

furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product";

and

- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

21. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 04 11 85

EXCLUSION-PRODUCTS-COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 35 10 93

EXCLUSION - COVERAGE C - MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	Policy No.
02/11/2001 12:01 A.M. standard time	CL 040900023
Named Insured SAMSON AUTO SALVAGE (SEE NAMED INSURED ENDORSEMENT NO. A)	Countersigned by

(Authorized Representative)

SCHEDULE

Description and Location of Premises or Classification:

SELF-SERVICE VEHICLE DISMANTLING AND TOWING ONLY BY CUSTOMER.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule, coverage C. MEDICAL PAYMENTS (Section I) does not apply and none of the references to it in the Coverage Part apply

The following is added to SUPPLEMENTARY PAYMENTS (Section I):

8. Expenses incurred by the Insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 45 07 98

EXCLUSION - DAMAGE TO PREMISES RENTED TO YOU

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The last paragraph ("Exclusions c. through n. do not apply ...") of paragraph 2., Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability is deleted.
- B. The first exception ("Paragraphs (1), (3) and (4) of this exclusion do not apply ...") to Exclusion j., Damage To Property of paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is deleted.
- C. Paragraph 6. of Section III - Limits Of Insurance is deleted.
- D. Any reference in the Declarations to "Damage To Premises Rented To You" is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 47 07 98

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2.,

Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



EVANSTON INSURANCE COMPANY

COMMERCIAL LIABILITY DECLARATIONS

NEW

Renewal of Number

Policy Number

CL 040900023

Item 1. Named Insured and Mailing Address:

SAMSON AUTO SALVAGE
(SEE NAMED INSURED ENDORSEMENT NO. A)
8103 S. ALAMEDA AVENUE
LOS ANGELES, CA 90001

Item 2. Policy Period From: 02/11/2001 To: 02/11/2002 Term: 365 DAYS

12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Item 3. Retroactive Date: "NONE"

Item 4. Business Description: VEHICLE DISMANTLING

Item 5. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Form No. and Edition Date	Premium
Commercial General Liability Coverage Part	CG 0001 (07/98)	\$ 13,500.00
Professional Liability Coverage Part	NOT COVERED	\$
		\$
		\$
		\$
POLICY FEE:		\$ 150.00
STATE TAX:		\$ 409.50
STAMPING FEE:		\$ 34.13
Audit Period Annual unless otherwise stated:		Total \$ 14,093.63

Item 6. Forms and endorsements applicable to all Coverage Parts: MSU-100 (05/00), 011-1061(8-94)
SHOW NUMBERS

Agent Name and Address: MONARCH E&S INSURANCE SERVICES, 2667 CAMINO DEL RIO SO., #307, SAN DIEGO, CA 92108

Agent Number: 0409
ALL COMMERCIAL INSURANCE SERVICE, LLC, 6790 TOP GUN STREET, #3, SAN DIEGO, CA 92121

Countersigned 04/13/2001 /VS
DATE

By

THIS COMMERCIAL LIABILITY DECLARATIONS AND THE SUPPLEMENTAL DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

INSURED

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

And we do not warrant that conditions:

1. Are safe or healthful; or

2. Comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.
3. Premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. PREMIUMS, MINIMUM DEPOSIT AND AUDIT

All references in this policy to minimum and/or deposit premiums and premium audits is replaced by the following, as respects casualty:

Premium shown as advance premium is both a deposit premium and a minimum premium for the policy term. At the close of each audit period we will compute earned premium for that period. If earned is more than advance premium then the amount by which it exceeds advance premium is due and payable on notice to you. If earned is less, advance premium applies as the minimum premium with no return payable to you.

If this policy is cancelled the pro rata or short rate of the minimum and deposit premium will apply for the policy term, subject to an absolute minimum earned premium of 25% of the total advance premium, unless final audit develops greater than said 25%. If your business is a seasonal business, however, the minimum premium then becomes fully earned at the end of your season.

G. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

NUCLEAR ENERGY LIABILITY EXCLUSION

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage:"

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material," if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured;" or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility;" but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

(a) Any "nuclear reactor;"

(b) Any building, premises or property owned, leased, loaned or used by or on behalf of the insured where "hazardous properties," "nuclear material" or "radioactive material" is used, processed or stored or has been discharged or dispersed therefrom;

(c) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste;"

(d) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(e) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste;" and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

SERVICE OF SUIT

It is agreed that in the event of failure of this Company herein to pay any amount claimed to be due hereunder, this Company hereon, at the request of the Insured, will submit to the jurisdiction of any Court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the Company's President, or his nominee, Edgar W. Phoebus, General Counsel, Evanston Insurance Company, Ten parkway North, Deerfield, Il. 60015, and that in any suit instituted against any one of them upon this Policy, this Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named is authorized and directed to accept service of process on behalf of this Company in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon this Company's behalf in the event such a suit shall be instituted.

Further, pursuant to any state, territory or district of the United States of America, which makes provision therefor, this Company hereon hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney, upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President

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Excess Third Party Liability Policy
GENERAL SECURITY
 INSURANCE COMPANY

Administrative Offices

110 William Street

NEW YORK, NEW YORK

IN RETURN FOR THE PAYMENT OF THE PREMIUM, IN RELIANCE UPON THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL OF THE TERMS OF THIS POLICY, **WE AGREE WITH YOU** AS FOLLOWS:

I. COVERAGE AGREEMENTS

- a. This is excess insurance and only applies to those coverages for which underlying limits of liability are shown on the Declarations of this policy.
- b. Subject to a. above, **we** will indemnify **you** for those amounts of **loss**.
 1. exceeding the limits of liability of all **underlying insurance** stated in Item 5 of the Declarations, and
 2. only up to the limit of liability stated in the Declarations of this policy as **our** limit of liability.
- c. All provisions of the **immediate underlying insurance** are considered as part of this policy except any obligation to investigate, defend or pay for such costs and expenses of **your** defense. A provision in the **immediate underlying insurance** inconsistent with any other provision in this policy is not a part of this policy.
- d. This policy applies to **loss** resulting from injury or destruction taking place during the policy period shown in the Declarations.

When the **immediate underlying insurance** applies to occurrences taking place during its policy period rather than injury or destruction during its policy period, then this policy likewise applies to occurrences taking place during this policy period and, occurrence is substituted for injury or destruction in this policy.

- e. If any **underlying insurance** terminates for any reason other than the exhaustion of an aggregate limit of liability, this policy also terminates on the same date and at the same time, without notice to **you**.

If termination, as stated above, is not permitted by the statutes of the state shown as **your** address in the Declarations, this policy will continue to apply, but only to the extent that it would have applied if

your underlying insurance has not ceased to apply.

II. EXCLUSIONS

It is agreed that regardless of whether or not such coverage is provided by the immediate underlying insurance this policy does not apply:

- a. To any **loss**, including clean up expense, arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water;
- b. To any **loss** for past, present, or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, asbestos or products containing asbestos, whether or not the asbestos is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever;
- c. To any **loss** arising in whole or in part from any alleged or actual discrimination by **you**, **your** employees or anyone acting on **your** behalf, based on, but not limited to race, color, creed, sex, religion, age, national origin, handicap, sexual preference, drug testing, whether or not for alleged violation of any federal, state or local governmental law or regulation prohibiting such discrimination, against a past, present or prospective employee or any other natural person;
- d. To any **loss** arising in whole or in part from termination of employment;
- e. To any **loss** for punitive damages, criminal sanctions, civil fines or penalties;
- f. As respects liability imposed upon **you** (or which is

imputed to **you**) under the "Employee Retirement Income Security Act of 1974" and any amending law;

- g. To **loss** arising out of any circumstance or occurrence for which:
 - (a) notice has been given to any insurer prior to the inception date of this policy, or
 - (b) **you** had knowledge prior to the inception date of this policy and had not disclosed to **us** in writing at the inception of this policy;
- h. To any **loss** for which coverage is provided in the **underlying insurance** at a limit lower than that stated in Item 5 of the Declarations; or
- i. To any obligation imposed by any Automobile No-Fault Law, Uninsured Motorist Law or Underinsured Motorist Law.

It is further agreed that this policy will not become excess of any reduced or exhausted underlying aggregate limit of liability or aggregate self-insured retention to the extent such reduction or exhaustion is the result of **loss** excluded by this policy.

III. DEFINITIONS

- a. "**immediate underlying insurance**" means the policy listed on the Declarations of this policy which provides the layer of coverage immediately preceding the layer of coverage provided by this policy.
- b. "**loss**" means amounts paid in settlement of a claim or judgement for which **you** are legally liable. The amounts are subject to deductions for subrogation, salvages, and any recoveries available. **Loss** does not include costs of defense, interest on judgment, or other expenses paid in defense or investigation of the claim.
- c. "**underlying insurance**" means any policy listed on the Declarations of this policy.
- d. "**we**," "**us**" and "**our**" means the company providing this insurance.
- e. "**you**" or "**your**" means the person or organizations insured in the **immediate underlying insurance**.

IV. AGGREGATE LIMITS OF LIABILITY

- a. Reduction of the Aggregate
In the event of the reduction or exhaustion of any limit of liability applicable to the **underlying insurance** due to payments made because of injury or destruction occurring during the policy period of this policy, the limit of liability of this policy shall apply as excess insurance over such reduced limit of **underlying insurance**.
- b. Application of Aggregates
If the **immediate underlying insurance** aggregate limit of liability applies separately to various

operations, projects, locations, hazards, or types of injury, the aggregate limit of liability of this policy shall apply on the same basis.

c. Period of Time

The aggregate limits of liability of this policy apply separately to each aggregate period.

1. First Aggregate Period

- (a) The first aggregate period begins on the inception date of this policy and ends on the next termination date of the aggregate period of the **immediate underlying insurance**.

- (b) If this policy is:

- (1) a renewal of a similar policy issued by **us**, and
- (2) the expiration date of this policy and the expiration or anniversary date of the underlying policy are not identical,

the applicable aggregate limit of this policy for the first period shall be reduced by any amount paid or payable as a result of injury or destruction taking place during the final aggregate period of the renewed policy.

2. Intermediate Periods

After the first aggregate period, any succeeding aggregate periods under this policy shall be concurrent with the aggregate period of the **immediate underlying insurance**, except for the final period.

3. Final Period

The final aggregate period of this policy begins on the termination date of the aggregate period of the **immediate underlying insurance** which immediately precedes the expiration date of this policy, and ends on the expiration date of this policy.

Nothing in this provision extends coverage beyond the expiration date of this policy.

V. CONDITIONS

a. Notice of Incident

Whenever **you** have information from which **you** may reasonably conclude that a loss appears likely to involve this policy, written notice shall be given to **us** or any of **our** authorized agents as soon as practicable.

b. Notice of Suit

If suit is brought which appears likely to involve this policy or alleges damages involving this policy, immediate written notice shall be given to **us** along with copies of the suit papers.

We may, but we are not required to, participate in the investigation, settlement or defense of any claim made or suit brought against **you**.

Excess Third Party Liability Policy

General Security Insurance Company

New York, New York
(A Stock Insurance Company)
Administrative Offices - Two World Trade Center New York, NY 10048

This Declarations page with the Policy Provisions and any endorsements, issued to form a part thereof, completes the below numbered Excess Third Party Liability Policy.

POLICY NUMBER: CE9000480

RENEWAL OF NO: NEW

DECLARATIONS

Item 1. Named Insured and Mailing Address
SAMSONS AUTO SALVAGE; et al
PER N/I ENDT.FORM#:GSU151(3/97)
8103 S. ALAMEDA STREET
LOS ANGELES, CA 90001

Producers Name and Address
HERITAGE GENERAL AGENCY
23201 MILL CREEK DRIVE - STE. 250
LAGUNA HILLS, CA 92653

Item 2. Policy Period: 02/11/01 02/11/02
Inception Expiration
12:01a.m. Standard Time at the mailing address shown above.

Item 3. Premium	\$24,785.00	MINIMUM AND DEPOSIT
	\$ 6,196.00	MINIMUM PREMIUM
	\$ 250.00	POLICY PROCESSING FEE


Item 4 Our Limits of liability

\$5,000,000.00 Combined Single Limit Bodily and/or Property Damage each occurrence and in the aggregate annually (where applicable) (EXCESS FOLLOWING FORM, GENERAL LIABILITY, AUTOMOBILE LIABILITY, EMPLOYERS LIABILITY, GARAGE LIABILITY).

Item 5. Underlying Limits of Liability:
Per Schedule of Underlying - (see XLUM-05 (8/94))

Item 6. Form numbers of endorsements forming part of this policy at issue: SLXL01(12/94) XL02(6/93), GSU026a(8/94), GSU066(6/93), GSU075(8/94), GSXL194(11/98), GSU158(3/97), GSU151(3/97).

Countersigned by:



GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: **SAMSONS AUTO SALVAGE; et al**

Address: **8103 S. ALAMEDA STREET
LOS ANGELES, CA 90001**

SCHEDULE OF UNDERLYING INSURANCE

CARRIER/PERIOD	TYPE OF POLICY	LIMITS OF LIABILITY
EVANSTON 02/11/01-02	General Liability	\$1,000,000 Each Occurrence \$2,000,000 General Agg. Excluded Prod./Completed Ops \$1,000,000 Pers. & Adv. Injury
USF&G 02/12/01-02/21/02	Automobile Liability	\$1,000,000 CSL
USF&G 02/12/01-02/21/02	Garage Liability	\$1,000,000
STATE FUND 11/01/01-02	Employers Liability	\$1,000,000/1,000,000/1,000,000

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by and Authorized Representative of the Company and countersigned by a Licensed Agent of the Company in those states which require countersignature.

By: _____
XLUM-05(8/94) Authorized Representative

Date: _____

GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: SAMSONS AUTO SALVAGE; et al

Address: 8103 S. ALAMEDA STREET, LOS ANGELES, CA 90001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED ENDORSEMENT

It is understood and agreed that the named insured is complete to read as follows:

SAMSON AUTO SALVAGE, ADLEN FAMILY PARTNERSHIP, ADLEN BROTHERS AUTO WRECKING, U-PICK PARTS, A FOREIGN U-PICK U-PULL WRECKING, CALIFORNIA CAR HIKERS, BROTHERS AUTO.

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by an Authorized Representative of the Company and countersigned by a Licensed Countersignature Agent of the Company in those states which require countersignature.

By: _____
GSU151(3/97) Authorized Representative

Date: _____

GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: SAMSONS AUTO SALVAGE; et al

Address: 8103 S. ALAMEDA STREET, LOS ANGELES, CA 90001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CROSS SUITS EXCLUSION

With respect to Coverage A and Coverage B, this policy does not apply to any liability for damages of one **Insured** against another Insured.

We will not have the duty to investigate or defend any suit brought against **you**, or to pay any costs or expenses of such investigation and defense for claims, damage or loss excluded by this endorsement.

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by an Authorized Representative of the Company and countersigned by a Licensed Countersignature Agent of the Company in those states which require countersignature.

By: _____
GSU026a(8/94) Authorized Representative

Date: _____

GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: **SAMSONS AUTO SALVAGE; et al**

Address: **8103 S. ALAMEDA STREET, LOS ANGELES, CA 90001**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CARE, CUSTODY AND CONTROL EXCLUSION

With respect to Coverage B, Exclusion 5 under section III of this policy is deleted and replaced by the following:

Property damage to:

- A. Property **you** own, rent or occupy:
- B. Premises **you** sell, give away or abandon; if the **property damage** arises out of any part of those premises;
- C. Property loaned to **you** or used by **you**; or
- D. Property in **your** care, custody or control or for which you are for any purposes exercising physical control.

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by an Authorized Representative of the Company and countersigned by a Licensed Countersignature Agent of the Company in those states which require countersignature.

By: _____
GSU066(6/93) Authorized Representative

Date: _____

GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: **SAMSONS AUTO SALVAGE; et al**

Address: **8103 S. ALAMEDA STREET, LOS ANGELES, CA 90001**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADVERTISING INJURY AMENDATORY ENDORSEMENT

With respect to Exclusions, Section I, Subsection 8, this policy is amended to add the following:

Advertising injury arising out of:

(f) unfair, deceptive practices and misrepresentations of **your** goods, services or products.

We will not have the duty to investigate or defend any suit brought against **you**, or to pay any costs or expenses of such investigation and defense for claims, damage or loss excluded by this endorsement.

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by an Authorized Representative of the Company and countersigned by a Licensed Countersignature Agent of the Company in those states which require countersignature.

By: _____
GSU075(8/94) Authorized Representative

Date: _____

GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: **SAMSONS AUTO SALVAGE; et al**

Address: **8103 S. ALAMEDA STREET, LOS ANGELES, CA 90001**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DATA RECOGNITION COMPUTER RELATED AND OTHER ELECTRONIC PROBLEMS - EXCLUSION

This policy does not apply to **loss** arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a)** Computer hardware, including microprocessors;
- (b)** Computer application software;
- (c)** Computer operating systems and related software;
- (d)** Computer networks;
- (e)** Microprocessors (computer chips) not part of any computer system; or
- (f)** Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **a. (1)** of this endorsement due to the inability to correctly recognize, process, distinguish, interpret or accept any date or date code, including the year 2000.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you determine, rectify or test for, any potential or actual problem described in Paragraph **a. (1) and (2)** of this endorsement.

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by an Authorized Representative of the Company and countersigned by a Licensed Countersignature Agent of the Company in those states which require countersignature.

By: _____
GSXL 194(11/98) Authorized Representative

Date: _____

GENERAL SECURITY

Policy Number: CE9000480

Effective Date of this Endorsement: 02/11/01

Named Insured: SAMSONS AUTO SALVAGE; et al

Address: 8103 S. ALAMEDA STREET, LOS ANGELES, CA 90001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIRTY DAY NOTICE OF CANCELLATION

It is understood and agreed that the cancellation provision contained in this policy is amended to read thirty (30) days notice of cancellation except of non payment of premium which remains ten (10) days.

All other terms or conditions of this policy are not changed. If this endorsement is issued subsequent to the preparation of the policy, it must be signed by an Authorized Representative of the Company and countersigned by a Licensed Countersignature Agent of the Company in those states which require countersignature.

By: _____
GSU158(3/97) Authorized Representative

Date: _____

c. Underlying insurance

The policy or policies referred to in the Declarations as **underlying insurance** shall be maintained by **you** in full effect during the term of this policy. This requirement is a condition precedent of coverage.

In addition to the above, **you** must also promptly report to **us** any changes in coverage or premium in the **underlying insurance**.

d. Bankruptcy or Insolvency

In the event of the insolvency or financial impairment of any underlying insurer, **we** shall be liable only to the same extent **we** would have been had such insolvency or financial impairment not occurred.

e. Legal Actions Against Us

You may not bring any legal action against **us** concerning this policy until:

1. **You** have fully complied with all the provisions of this policy; and
2. The amount of **your** obligation to pay has been decided. Such amount can be set by judgement against **you** after actual trial or by written agreement between **you, us**, and the claimant.

Any person, organization, or their legal representative is entitled to recover under this policy after they have secured a judgement or written agreement against **you**. Recovery is limited to the extent of the insurance afforded by this policy. No person or organization has any right under the policy to include **us** in any action against **you** to determine **your** liability nor will **we** be brought into such an action by **you** or **your** representative. If **you** or **your** estate become bankrupt or insolvent, it does not change any of **our** obligations under this policy.

f. Rights of Recovery

1. If **we** make any payment under this policy, **we** are entitled to recover what **we** paid from other parties. Any person to or for whom **we** make payment must transfer to **us** their rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize such rights.
2. Because this policy affords excess coverage, **your** right of recovery may not always be exclusively given to **us**. **We** agree that if this happens, **we** shall act in concert with all other interests concerned, including **yours**. This will include the enforcement of any recovery rights, or in the recovery of amounts by any other means. The apportionment of any amounts recovered shall be in the following order:
 - (a) Any party, including **you**, who has paid an

amount for loss above the limits provided by this policy shall be reimbursed up to the amount they have paid.

- (b) From any remaining balance, **we** will then be reimbursed up to the amount **we** have paid.

Expenses and costs necessary to the recovery of any amounts shall be apportioned between all parties in the ratio of their recovery. If the attempt to recover is totally unsuccessful, expenses and costs will be apportioned in the ratio of the amounts each party sought to recover.

g. Other Insurance

When **you** are covered by other insurance policies in addition to those listed on the declarations of this policy as **underlying insurance**, this policy shall apply and **we** shall reimburse **you** in excess of the total limits of liability of **your** listed **underlying insurance** and all other insurance under which **you** are covered. This includes all primary, secondary, excess or contingent insurance. It does not, however, include insurance which **you** purchase specifically to be in excess of this policy.

h. Cancellation

This policy may be canceled by **you** either by surrendering it to **us** or **our** authorized agents, or by mailing to **us** written notice stating when cancellation shall be effective. This policy may be canceled by **us** by mailing to **you** at the address shown in the declarations, written notice stating when, not less than thirty (30) days after, ten (10) days if cancellation is for nonpayment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice is sufficient notice and the effective date of cancellation stated in the notice will become the end of the policy period. Delivery of written notice either by **you** or by **us** shall be equivalent to mailing. If **you** cancel, earned premium will be computed in accordance with the customary short-rate table and procedure, but **we** will always be entitled to receive or keep the minimum premium amount stated in the declarations. If **we** cancel, earned premium will be computed in accordance with the customary pro rata table and procedure.

Premium adjustment may be made at the time cancellation is effected or as soon afterwards as is practicable. **Our** check or **our** representative's check mailed or delivered will be sufficient tender of any refund due **you**.

Cancellation will be effective on the date stated in the notice even though **we** delay the refund of the unearned premium.

i. Insured First Named

The person or organization first named in Item 1 in the Declarations is authorized to act for all of **you**.

If this policy insures more than one person or organization, cancellation must be effected by the **first named insured** and notice of cancellation by us will be made to the **first named insured** and shall be considered as notice to all. Payment of any unearned premium to the first named insured shall be for the amount of all.

The **first named insured** is responsible for the premium. If the **first named insured** cannot or refuses to pay any or all of the premium, all of you are jointly and severally responsible to pay us the premium due.

j. Service of Suit

It is agreed that in the event that we fail to pay any amount claimed to be due hereunder, we, at your request, will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction, and all matters arising

hereunder shall be determined in accordance with the law and practice of such court. It is further agreed that service of process in such suit be made upon the highest one in authority bearing the title Commissioner, Director, or Superintendent of Insurance of the State or Commonwealth wherein the property covered by this policy is located, and that in any suit instituted against it upon this policy we will abide by the final decision of such court or any appellate court in the event of any appeal. The highest one in authority bearing the title Commissioner, Director, or Superintendent of Insurance of the State or Commonwealth wherein the property covered by this policy is located is hereby authorized and directed to accept service of process on our behalf in any suit and/or upon your request to give a written undertaking to us that they will enter a general appearance upon our behalf in the event such a suit shall be instituted.

NUCLEAR ENERGY LIABILITY EXCLUSION

It is agreed that:

A. This policy does not apply:

1. To loss:

(a) with respect to which an **insured** under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) resulting from the **hazardous properties** of **nuclear material** and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **insured** is or, had this policy not been issued, would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. To Medical Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to injury resulting from the **hazardous properties** of **nuclear material**, and arising out of the operation of a **nuclear facil-**

ity by any person or organization.

3. To any injury or destruction resulting from the **hazardous properties** of **nuclear material**, if:

(a) the **nuclear material** (1) is at any **nuclear facility** owned by, or operated by, or on behalf of, an **insured** or (2) has been discharged or dispersed therefrom;

(b) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

(c) applies only to property damage to such **nuclear facility** and any property thereat.

B. As used in this endorsement:

"**hazardous properties**" includes radioactive, toxic or explosive properties;

"**nuclear material**" means **source material**, "**special nuclear material**" or **by-product material**;

"**source material**," "**special nuclear material**," and "**by-product material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"**spent fuel**" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

"**waste**" means any waste material (a) containing **by-product material** and (b) resulting from the operation

by any person or organization of any **nuclear facility** included within the definition of **nuclear facility** under paragraph 1 or 2 thereof;

"nuclear facility" means:

1. any **nuclear reactor**,
2. any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing **spent fuel**, or (c) handling, processing or packaging **waste**,
3. any equipment or device designed or used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of

plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235, or

4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"destruction" includes all forms of radioactive contamination of property.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and its Secretary, but this policy shall not be valid unless countersigned on the declarations page by an authorized representative of the Company.


President

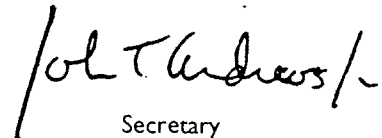

Secretary

Exhibit 7

A

REGISTRAR - RECORDER / COUNTY CLERK'S FILING STAMP

Name: **Anne Urquhart**
Legal Assistant
 Address: **Mitchell Silberberg & Knupp, LLP**
11377 W. Olympic Blvd.
 City: **Los Angeles, CA 90064**

05 0363055

1

☐ First Filing ☒ Renewal Filing

FICTITIOUS BUSINESS NAME STATEMENT

THE FOLLOWING PERSON(S) IS (ARE) DOING BUSINESS AS: (Attach additional pages if required)

2

Fictitious Business Name(s)

3.

1. **U-PICK PARTS**
2. **U-PICK A PART**

 Articles of Incorporation or Organization Number (if applicable)
 AI #/ON

3

Street Address & City of Principal Place of Business in California (P.O. Box alone not acceptable)

Zip Code

11409 Penrose Street, Sun Valley, California**91352**

4

Full name of Registrant

(If corporation - incorporated in what state)

Adlen Family Limited Partnership, a California limited partnership

Residence Street Address

City

State

Zip Code

11590 Tuxford Street, Sun Valley, California**91352**

4A

Full name of Registrant

(If corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

4B

Full name of Registrant

(If corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

5

This Business is conducted by: () an individual () a general partnership () joint venture () a business trust
 (check one only) () co-partners () husband and wife () a corporation (X) a limited partnership
 () an unincorporated association other than a partnership () a limited liability company

6

(X) The registrant commenced to transact business under the fictitious business name or names listed on (Date): **August, 1985***
 () Registrant has not yet begun to transact business under the fictitious business name or names listed herein.

7

I declare that all information in this statement is true and correct.

(A registrant who declares as true information which he or she knows to be false is guilty of a crime.)

8 **Adlen Family Limited Partnership**
 By **Nathan B. Adlen**

8A

If Registrant IS a CORPORATION, sign below

Signature **Nathan B. Adlen** type/print name
Solid Waste General Corp. General Partner
 By: **Nathan B. Adlen** President

Corporation or Company Name

Signature

Title

Type or Print Name

* date of first use by predecessor in interest of
 Registrant. Right assigned to Registrant.

Signature

type/print name

Signature

type/print name

This statement was filed with the County Clerk of **LOS ANGELES** County on date indicated by file stamp above.

NOTICE - THIS FICTITIOUS NAME STATEMENT EXPIRES FIVE YEARS FROM DATE IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED PRIOR TO THAT DATE. The filing of this statement does not of itself authorize the use in this state of a fictitious business name in violation of the rights of another under federal, state, or common law (See Section 14411 et seq., Business and Professions Code)

A

Name: **Anne Urquhart**
Legal Assistant
Mitchell Silberberg & Knupp, LLP
 Address: **11377 W. Olympic Blvd.**
Los Angeles, CA 90064
 City:

REGISTRAR - RECORDER / COUNTY CLERK'S FILING STAMP

05 0363057

1

☐ First Filing ☒ Renewal Filing

FICTITIOUS BUSINESS NAME STATEMENT

THE FOLLOWING PERSON(S) IS (ARE) DOING BUSINESS AS: (Attach additional pages if required)

Fictitious Business Name(s)

1. **A FOREIGN AUTO WRECKING**

2.

 3. Articles of Incorporation or Organization Number (if applicable)
 AI #/ON

 Street Address & City of Principal Place of Business in California (P.O. Box alone not acceptable)
8520 Telfair Avenue, Sun Vally, California

 Zip Code
91352

Full name of Registrant

Adlen Family Limited Partnership, a California limited partnership (if corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

11590 Tuxford Street, Sun Valley,**California****91352**

Full name of Registrant

(if corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

Full name of Registrant

(if corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

 5 This Business is conducted by: () an individual () a general partnership () joint venture () a business trust
 (check one only) () co-partners () husband and wife () a corporation (X) a limited partnership
 () an unincorporated association other than a partnership () a limited liability company

 6 (X) The registrant commenced to transact business under the fictitious business name or names listed on (Date): **August, 1985***
 () Registrant has not yet begun to transact business under the fictitious business name or names listed herein.

7

I declare that all information in this statement is true and correct.

(A registrant who declares as true information which he or she knows to be false is guilty of a crime.)

 8 Adlen Family Limited Partnership
 By: **Nathan B. Adlen**

 Solid Waste General Corp.
 By: **Nathan B. Adlen, General Partner**
President

Signature

type/print name

 *date of first use by predecessor in interest of
 Registrant. Right assigned to Registrant.

Signature

type/print name

Signature

type/print name

8A

If Registrant IS a CORPORATION, sign below

Corporation or Company Name

Signature

Title

Type or Print Name

 This statement was filed with the County Clerk of **LOS ANGELES** County on date indicated by file stamp above.

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05/17/2004 09:32 MSK 9TH FLOOR + 918185044922+35150#00000

NO. 766 0006

A

Name: Anne Urquhart
Legal Assistant
Address: Mitchell, Silberberg & Knupp LLP
11377 W. Olympic Blvd.
City: Los Angeles, CA 90064

REGISTRAR - RECORDER / COUNTY CLERK'S FILING STAMP

COPY of Document Recorded
MAY 14 2004 04 1231421

Has not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR-RECORDER

1

☐ First Filing ☒ Renewal Filing

FICTITIOUS BUSINESS NAME STATEMENT

THE FOLLOWING PERSON(S) IS (ARE) DOING BUSINESS AS: (Attach additional pages if required)

2

Fictitious Business Name(s)

3.

1. AADLEN BROS. AUTO WRECKING
- 2.

Articles of Incorporation or Organization Number (if applicable)
AI #/ON

3

Street Address & City of Principal Place of Business in California (P.O. Box alone not acceptable)

Zip Code

11590 Tuxford Street, Sun Valley, California 91352

4

Full name of Registrant

(If corporation - incorporated in what state)

Adlen Family Limited Partnership, a California limited partnership

Residence Street Address

City

State

Zip Code

11590 Tuxford Street

Sun Valley

California

91352

4A

Full name of Registrant

(If corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

4B

Full name of Registrant

(If corporation - incorporated in what state)

Residence Street Address

City

State

Zip Code

5

This Business is
conducted by:
(check one only)

() an individual

() a general partnership

() joint venture

() a business trust

() co-partners

() husband and wife

() a corporation

(X) a limited partnership

() an unincorporated association other than a partnership

() a limited liability company

6

(X) The registrant commenced to transact business under the fictitious business name or names listed on (Date): 8/1/59*
() Registrant has not yet begun to transact business under the fictitious business name or names listed herein.

7

I declare that all information in this statement is true and correct.

(A registrant who declares as true information which he or she knows to be false is guilty of a crime.)

Signature of Registrant(s)

Adlen Family Limited Partnership

Signature

type/print name

By: X

Signature

Nathan B. Adlen

Signature

type/print name

Solid Waste General Corp., General Partner
By Nathan B. Adlen, President

Signature

type/print name

* Date of first use by predecessor in interest
of Registrant. Right assigned to Registrant.

Signature

type/print name

8A

If Registrant is a CORPORATION, sign below

Corporation or Company Name

Signature

Title

Type or Print Name

This statement was filed with the County Clerk of LOS ANGELES County on date indicated by file stamp above.

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